THE MERCHANTS' NATIONAL BANK

1803-1903

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OLIVER WOLCOTT.

First President of the Merchants' Bank.

The Merchants' National Bank

OF THE CITY OF NEW YORK

A HISTORY OF ITS FIRST CENTURY
COMPILED FROM OFFICIAL RECORDS
AT THE REQUEST OF THE DIRECTORS

BY

PHILIP G. HUBERT, JR.

1803—1903

WITH PORTRAITS AND ILLUSTRATIONS

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PREFACE

IT is often said that the happiest and most prosperous of nations have no histories. As the senior Director of the Merchants' National Bank remarked to the compiler of the present volume, this is apt to be true of banks as well as of nations. There are no sensational events in the life of the Bank to relate. Its history is one of conservative, persistent, intelligent work which has earned the respect and consideration of the community. As the name implies, it has been a bank managed by merchants for merchants. It has had no phenomenal ups or downs. Nevertheless a great deal may be said of any institution one hundred years old. The contrast between the social and business conditions of New York in 1803 with those of to-day alone offers an interesting field of inquiry. Much may also be said of the long line of distinguished merchants who have served the Bank—men identified with the growth of New York from a city of 75,000 inhabitants to a metropolis second only to London in population and financial importance.

The compiler desires to acknowledge the help afforded him by Mr. Robert M. Gallaway, the President; by Messrs. John A. Stewart and Charles Stewart Smith, Directors; by Mr. Cornelius V. Banta, formerly Cashier of the Bank; and especially by Mr. Clinton B. Price, Transfer-Clerk of the Bank, who has made the book a labor of love from the beginning. Thanks are also due to many of the Directors and friends of the Bank for suggestions and help in the way of portraits and data concerning former officers of the institution.

P. G. H., Jr.

New York, May, 1903.

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A HISTORY OF THE MERCHANTS' NATIONAL BANK OF NEW YORK

CHAPTER I

THE ARTICLES OF ASSOCIATION DRAWN UP BY ALEXANDER HAMILTON—FIRST OFFICERS OF THE BANK AND BOARD OF DIRECTORS—THE BUSINESS OF BANKING IN 1803—MERCANTILE AND SOCIAL CONDITIONS IN THE CITY AT THE BEGINNING OF THE CENTURY—THE FIRST DIVIDEND PAID, NOVEMBER 30, 1803.

ON the 7th of April, 1803, the following gentlemen met at No. 25 Wall Street to sign the Articles of Association of the Merchants' Bank in the City of New York:

Oliver Wolcott,	Isaac Bronson,
Richard Varick,	James Roosevelt,
Peter Jay Munro,	Robert Gilchrist,
Joshua Sands,	Wynant Van Zandt, Jr.,
William W. Woolsey,	John Swartwout,
John Hone,	Henry I. Wyckoff,
John Kane,	Isaac Hicks.

The Articles of Association were signed by all these directors, and afterward by Thomas Storm and Joshua Jones. Oliver Wolcott was elected President, and Lynde Catlin Cashier.

The following items appear on the minutes of the meeting:

"*Resolved*, That Joshua Sands, Henry I. Wyckoff, and John Swartwout be appointed a Committee to present the Articles of Association to the persons who have engaged to

become members of this Company, to be subscribed by them, to receive the first instalment, and to sign and deliver certificates for the shares subscribed.

"*Resolved*, That the money received from the subscribers for the first instalment be deposited in the names of the abovementioned Committee in one of the banks in this City.

"*Resolved*, That Isaac Bronson, Robert Gilchrist, and John Kane be a Committee to make inquiries for a suitable building for the purpose of this Company and make report thereon."

Thus came into existence the third bank of the City of New York. It has, therefore, weathered the financial storms of a full century. Through periods of stress and calm, through prosperity and panic, through seasons of ill-fortune and good-fortune, sometimes greatly praised for public spirit, and again, in common with all banking institutions, decried as an enemy to national welfare, it has held its course, a conservative institution founded, as its name implies, for merchants by merchants, rounding out its century of existence in a manner that would have certainly won the hearty approval of the little company of sturdy citizens who, on this 7th of April, one hundred years ago, met to found another bank.

The Articles of Association of the Merchants' Bank were drawn up by Alexander Hamilton, who had already performed a similar service for the Bank of New York, founded in 1784. This paper, which is set forth in the old minutes of the bank, still in existence, is as follows:

To all to whom these presents shall come, or in any wise concern. Be it known and made manifest, that We, the Subscribers, have formed a Company or limited Partnership, and do hereby associate and agree with each other, to conduct business in the manner hereinafter specified and described, by and under the name and style of "The President and Directors of the Merchants' Bank in the City of New York," and We do hereby mutually covenant, declare and agree, that the following are and shall be the fundamental Articles of this our Association and Agreement with each

other, by which We and all persons who at any time hereafter may transact business with the said Company, shall be bound and concluded.

First: The Capital Stock of the said Company shall consist of One Million two hundred and fifty thousand Dollars, in Money of the United States. The said Capital Stock shall be divided into Shares of Fifty Dollars each: two Dollars and fifty Cents on each share shall be paid at the time of subscribing, and the remainder shall be paid at such times, and in such proportions as the board of Directors shall Order and Appoint, under pain of forfeiting to the said Company the said Shares, and all previous payments thereon, but no payment shall be required unless by a notice to be published for at least fifteen days, in two Newspapers printed in the City of New York.

Second: The affairs of the said Company shall be exclusively conducted by sixteen Directors, who shall elect one of their number to be the president thereof, and nine of the Directors shall form a board or quorum for transacting all the business of the Company, except ordinary discounts, which it shall be in the power of any five of the Directors to perform, of whom the President shall always be one, except in case of his sickness or necessary absence, when his place may be supplied by any other Director, whom he by writing under his hand shall nominate for that purpose; and until the Second Tuesday in June, One thousand eight hundred and four, Oliver Wolcott, Richard Varick, Peter Jay Munro, Joshua Sands, Thomas Storm, William W. Woolsey, John Hone, John Kane, Joshua Jones, Robert Gilchrist, Isaac Bronson, James Roosevelt, John Swartwout, Henry I. Wyckoff, Isaac Hicks, and Henry A. Coster, shall be Directors of the said Company; the Directors from and after that period shall be elected for one year by the Stockholders, for the time being, and each Director shall be a Stockholder at the time of his election, and shall cease to be a Director if he should cease to be a Stockholder: and the number of Votes which each Stockholder shall be entitled to, shall be equal to the number of shares which he shall have held on the books of the Company, for at least Sixty Days prior to the election, and all Stockholders shall vote at elections by ballot, either personally or by proxy, to be made in such form as the board of Directors may appoint.

Third: A General Meeting of the Stockholders of the Company shall be holden upon the first Tuesday of June, in every year (ex-

cepting in June now next ensuing), at such place as the Board of Directors shall appoint, by notice, to be published in two Newspapers printed in the City of New York, at least fifteen Days previous to such meeting, for the purpose of electing Directors for the ensuing year, who shall take their seats at the Board on the Second Tuesday in the same Month of June and immediately proceed to elect the President.

Fourth: The Board of Directors are hereby fully empowered to make, revise, and alter or amend, all such rules, by laws and regulations, for the government of the Company, and that of their Officers, Servants and Affairs, as they, or a majority of them shall from time to time think expedient, not inconsistent with law, or these Articles of Association, and to use, employ and dispose of the joint stock, funds or property of the said Company (subject only to the restrictions hereinafter contained) as to them, or a majority of them, shall seem expedient.

Fifth: All bills, bonds, notes, and every contract and engagement on behalf of the Company, shall be signed by the President and Countersigned or Attested by the Cashier of the Company; and the funds of the Company shall in no case be held responsible for any contract or engagement whatever, unless the same shall be so signed and Countersigned, or Attested as aforesaid.

Sixth: The books, papers, correspondence and funds of the Company shall at all times be subject to the inspection of the Directors.

Seventh: The said board of Directors shall have power to appoint a Cashier, and all other Officers and Servants, for executing the business of the Company; and to establish the Compensations to be paid to the President and all the other Officers and Servants of the Company respectively, all which, together with all other necessary expenses, shall be defrayed out of the funds of the Company.

Eighth: A majority of the Directors shall have power to call a general meeting of the Stockholders, for purposes relative to the concerns of the Company, giving at least thirty Days notice, in two of the public Newspapers printed in the City of New York, and specifying in such notice the Objects of such meeting.

Ninth: The Shares of Capital Stock at any time owned by any individual Stockholder shall be transferable on the books of the Company, according to such rules, as conformable to law, may be established in that behalf, by the board of Directors; but all Debts

actually due and payable to the Company, by a Stockholder requesting a transfer, must be satisfied before such transfer shall be made unless the Board of Directors shall direct to the Contrary.

Tenth: No transfer of Stock in this Company shall be considered as binding upon the Company, unless made in a book or books to be kept for that purpose by the Company. And it is hereby further expressly agreed and declared, that any stockholder, who shall transfer in manner aforesaid, all his Stock or Shares in this Company, to any other person or persons whatever, shall ipso facto cease to be a Member of this Company, and that any person or persons whatever, who shall accept a transfer of any Stock or Share in this Company, shall ipso facto become and be a member of this Company, according to these Articles of Association.

Eleventh: It is hereby expressly and explicitly declared to be the Object and intention of the persons who associate under the style or firm of "The President and Directors of the Merchants' Bank in the City of New York," that the joint Stock or property of the said Company (exclusive of dividends to be made in the manner hereinafter mentioned) shall alone be responsible for the Debts and engagements of the said Company. And that no persons who shall or may deal with this Company, or to whom they shall or may become in anywise indebted, shall on any pretence whatever have recourse against the separate property of any present or future Member of this Company, or against their persons, further than may be necessary to secure the faithful application of the funds thereof to the purposes to which by these presents they are liable. But all persons accepting any Bond, Bill, Note or other Contract of this Company, signed by the President, and Countersigned or Attested by the Cashier of the Company, for the time being, or dealing with it in any other manner whatsoever, thereby respectively give Credit to the said joint Stock or Property of the said Company, and thereby respectively disavow having recourse, on any pretence whatever, to the person or separate property of any present or future member of this Company, except as above mentioned. And all Suits to be brought against this Company (if any shall be) shall be brought against the President for the time being; and in Case of his Death or removal from Office, pending any such Suit against him, measures shall be taken at the expense of the Company for substituting his Successor in Office as a Defendant; so that persons having Demands upon the Company may

Wall Street in 1825, looking west from William Street.

not be prejudiced or delayed by that event, or if the persons suing shall go on against the person first named as Defendant (notwithstanding his Death or removal from Office) this Company shall take no advantage, by Writ of Error or otherwise, of such proceeding on that account; and all recoveries had in manner aforesaid shall be conclusive upon the Company, so far as to render the Company's said joint Stock or property liable thereby, and no further; and the Company shall immediately pay the amount of such recovery out of their joint Stock, but not otherwise, and in Case of any Suit at law, the President shall sign his appearance upon the Writ, or file Common bail thereto; it being expressly understood and declared that all persons dealing with the said Company agree to these Terms, and are to be bound thereby.

Twelfth: Dividends of the profits of the Company, or of so much of the said profits as shall be deemed expedient and proper, shall be declared and paid half yearly during the Months of May and November in every year, and shall from time to time be determined by a Majority of the said Directors, at a meeting to be held for that purpose, and shall in no case exceed the amount of the net profits actually acquired by the Company; so that the Capital Stock of the Company shall never be impaired by Dividends, and at the expiration of every three years, from the first Tuesday of June next, a Dividend of surplus profits shall be made, but the

Directors shall be at liberty to retain at least One per Cent. upon the Capital, as a fund for future Contingencies.

Thirteenth: If the said Directors shall at any time, wilfully and knowingly, make or Declare any Dividend which shall impair the said Capital Stock, all the Directors present at the making or declaring such Dividend, and Consenting thereto, shall be liable, in their individual Capacities, to the Company, for the amount or proportion of the said Capital Stock, so divided by the said Directors. And each Director who shall be present at the making or Declaring of such Dividend, shall be deemed to have consented thereto, unless he shall immediately enter, in writing, his dissent, on the minutes of the proceedings of the board, and give public notice to the Stockholders, that such Dividend has been declared.

Fourteenth: These Articles of Agreement shall be published in at least three Newspapers printed in the City of New York, for one Month and for the further information of all persons who may transact business with, or in any manner give Credit to this Company, every bond, bill, note, or other instrument or contract, by the effect or terms of which the Company may be charged or held liable for the payment of Money, shall specially declare, in such form as the Board of Directors shall prescribe, that payment shall be made out of the joint funds of this Company, according to the present Articles of Association, and not otherwise, and a Copy of the eleventh Article of this Association shall be inserted in the Bank book of every person depositing Money, or other valuable property, with the Company, for safe Custody, or a printed Copy shall be delivered to every such person, before any such deposit shall be received from him. And it is hereby expressly declared that no engagement can be legally made in the name of the said Company, unless it contain a limitation or restriction, to the effect above recited. And the Company hereby expressly disavow all responsibility, for any Debt or engagement, which may be made in their name, not containing a limitation or restriction to the effect aforesaid.

Fifteenth: The Company shall in no case be owners of any Ships or vessels, or directly or indirectly concerned in trade, or the importation or exportation, purchase or sale of any Goods, wares, or Merchandise whatever (bullion only excepted) unless by selling such goods, wares, and Merchandise, as shall be truly pledged to them, by way of Security for Debts due to the said Company.

Sixteenth: If a vacancy shall at any time happen among the

Wall Street in 1863.

Directors, by death, resignation, or otherwise, the residue of the Directors, for the time being, shall immediately elect a Director to fill the said vacancy, until the next election of Directors, to be made according to the Second Article of these presents.

Seventeenth: This association shall continue until the first Tuesday of June, One thousand eight hundred and fifteen, and no longer, but the proprietors of two thirds of the Capital Stock of the Company may, by their concurring votes at a general meeting to be called for that express purpose, dissolve the same at any prior period; provided, that notice of such meeting, and of its Object, shall be published in at least three Newspapers to be printed in the City of New York, for at least six Months previous to the time appointed for such meeting.

Eighteenth: Immediately on any dissolution of this association, effectual measure shall be taken by the Directors then existing, for closing all the concerns of the Company, and for dividing the Capital and profits which may remain among the Stockholders, in proportion to their respective interests.

In Witness Whereof, We have hereunto set our names or firms the Seventh Day of April One Thousand eight hundred and three. Signed: Oliv. Wolcott, Richd. Varick, Peter Jay Munro, etc., in all 391 subscribers.

During the period which saw the birth of the century and of a dozen banks, including the Merchants' of New York, the questions which occupied the national mind were our mutual rights, French decrees, impressments, embargoes, treaties, blockades, the conduct of England and of France, the ambition and treachery of Napoleon. After that time the questions

of the day were to be the state of the currency, national banks, manufactures, the tariff, internal improvements, interstate commerce, the public lands, the astonishing growth of the West, the rights of the States, and the extension of slavery.

The conditions, national and local, under which the Merchants' Bank came into existence may be inferred from a few figures illustrating the extraordinary growth of the country and its chief city in the last one hundred years. In 1800 the area of the United States was 827,844 square miles; to-day it is over three million square miles, exclusive of Alaska and the Philippines. The population per square mile in 1800 was 3.6 and is now 26.1, notwithstanding a fourfold growth in area. Thomas Jefferson was President. Politically the period was one of anxiety, but financially the country, especially New York City, had begun to feel the strenuous movement that was to revolutionize the new world within the next half-century. Pre-eminent among the important changes to come was the building of the Erie Canal, a project with which Gouverneur Morris aroused no end of enthusiasm and derision, and the purchase of Louisiana from the French. At the beginning of the century, in response to the demands for more money and more business facilities upon the part of merchants in the East, banks had come into favor, and since the first New York bank had opened its doors in 1784 such institutions had increased rapidly. The establishment of a permanent and vigorous government, the creation of public credit by the transmutation of the old Congress lottery certificates, loan-office certificates, interest indentures, and Continental money and all the worthless remnants of the financial makeshifts of the Confederation into interest-bearing paper, selling at a premium, had called from the old stockings and strong boxes much hidden capital. A period of widespread speculation followed, when subscribing to the capital stock of a bank became as favorite a way of investing money as subscribing to build a turnpike or dig a canal. In one year alone (1792) six new banks had been chartered, and in spite of much head-shaking by conservative men had done a

large business and paid heavy dividends. Eagerness to share this success produced other banks. The war between France and England, and the Louisiana purchase, the opening of the West Indies to our merchants, resulted in an extraordinary increase of trade. Demands for discounts and capital with which to build ships and to buy produce surpassed the ability of the banks to meet them. Profits were immense. By 1795 there were twenty banks in existence in the United States. By 1800 the number had increased to twenty-seven; and three years later, when the Merchants' Bank began business, there were thirty-eight of these institutions, some of them experimental and many of them looked upon with suspicion by the mercantile public. By 1810 the number of banks had increased to more than one hundred. The charge made against many of these banks was that they did business in a reckless, law-defying way, favoring political and personal friends, and issuing notes in excess of their ability to redeem. That some of them were guilty of over-issue may be conceded; but part of this hatred against the State banks was due to the enmity these latter manifested for the Bank of the United States, which carefully watched their issues and made incessant calls upon them to redeem their paper. Hatred of the United States Bank was fostered by holding it up as the cause of stringency. If a customer applied to a State bank for a loan that it was not safe to make, the blame for the refusal was laid on the United States Bank, which, thanks to its enjoyment of the sole right to receive government money, kept millions of dollars out of the State banks' vaults, and by constantly presenting bills for redemption forced them to keep on hand the thousands they would gladly lend. Public sentiment toward the United States Bank had been further embittered by the depreciation and final worthlessness of the two hundred millions of Continental money. The unpopularity of the Bank of the United States led to the prosperity of its rivals which sprung up all over the country.

In the main they differed but little one from another.

ROBERT MACY GALLAWAY.

Elected President January 1, 1892.

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Their capital varied from one hundred thousand to two millions of dollars. They could receive deposits, discount notes, contract debts, and issue bills to an amount equal to three times their capital, which were legal tender in payment of State taxes and dues. Some had power to establish branches, others had not. Some paid the State a bonus for the charter. Some had the State for a stockholder. Others were nothing more than the State treasury, paid in commission and incorporated, and provided with a capital made up of all the stocks owned by the State, all the bonds and notes due the State, and all the unexpended money derived from taxation. Nominally the notes of such institutions were redeemable on demand in gold or silver. But no penalty was attached to a refusal to redeem, nor did any real check exist to prevent an issue of bills far beyond the legal limit. None could circulate notes of denomination less than a dollar. Generally the limit was two or five dollars. The small change of the country was supposed to be specie, and in the great seaboard cities it was; but in many inland towns and cities specie was never seen, and the small change was made up of due-bills, tickets, promissory notes issued by individuals, by unincorporated associations, by bodies corporate, and by private bankers. In the States beyond the Alleghanies, where banks were few and specie scarce, the small change was "cut money," which was but another name for Spanish dollars cut with a shears into quarters, eighths, and sixteenths.

The circulating medium of the United States from 1803 to 1820 may be said to have consisted of the small notes and bills of individuals and corporations; of State-bank paper, which did not circulate far from the bank that issued it; of here and there the remains of the old State paper money of 1785; of such gold and silver coin of foreign countries as Congress had made legal tender; of "cut money," and of such coins of United States mintage as had not been shipped abroad as bullion. The five million dollars of notes of the Bank of the United States were called in and redeemed after 1811.

The Government House. Erected 1790 at the foot of Broadway, facing Bowling Green.

The local conditions in 1803 are fairly well known from the countless histories of New York City. It was a time of great simplicity of life, and while business had already begun to feel the rising tide due to vast national movements, New York City was not yet to be compared in luxury or enterprise with a second-class town of the present day. Most of its small houses were built of wood, brick being used only for the expensive residences. The streets were narrow and ill-paved, and the city practically ended at Reade Street, above the new City Hall, the foundations of which were laid in 1803. There was no gas until 1825, when Samuel Legget, the first president of the New York Gas Company, lighted his house at No. 7 Cherry Street in this manner, to the great astonishment of his fellow-citizens, and had to pay an increased fire insurance, because it was thought a most dangerous experiment. The city lamps were fed with whale-oil. Most of the citizens depended upon wells for their water. There was no sewage, and the streets were so ill-kept that a writer in "Blunt's Guide to New York," published in 1817, complains bitterly of the number of swine allowed to roam through the streets feeding on the garbage. Steam and

electricity were, of course, unknown. The luxury of the day, such as it was, consisted in big and comfortable houses, which, however, were not very costly as compared with those of the present day. In *Valentine's Manual* may be found a list of the most valuable and luxurious houses in New York City in 1798. The house of Wm. Jauncey, at 55 Wall Street was valued at $8,000, which was also the valuation placed upon that of Wm. Seaman, at 54 Wall Street, and of John Oothout, at 13 Wall Street. Edward Livingston's house, at 45 Wall Street, and that of Wm. Bayard, adjoining, are put down at $9,000. No. 6 Wall Street, owned by the Constable family, is estimated at $15,000; that of Francis B. Winthrop, in Broadway, at $12,000. At Broad Street, near Beaver Street, was the handsome house of Michael Cruger, one of the wealthiest merchants of the day, whose home was valued at $14,000. The largest and most expensive private house in the city, that of Alexander McComb, in Broadway, was only valued at $25,000. The fact that the Merchants' Bank had to pay more than thirty thousand dollars for its property in 1803 shows how rapid was the rise in values at the beginning of the century.

It may be noted in passing that the taxes paid the first year by the Merchants' Bank were not quite $44. The average taxes for the last ten years paid by the Bank have been more than $50,000 a year. It must be said, however, that to the original property occupied by the Bank in 1803, the lot and building at No. 37 Pine Street were added in 1858, at a cost of $25,000. It was purchased from Daniel B. Fearing.

It may be taken for granted that when the first meetings to organize the Merchants' Bank were held, one of which was at the house of Mr. Wolcott, all of the future directors and officers could have walked, and probably did walk, from their own houses to that of the president. Of luxury in the way of display there was none. In 1800 there were only seventeen persons in New York who kept private carriages. Hours were early. Most merchants were at their shops or counting-houses by eight o'clock. Banking hours were from nine to twelve, and

again from two to five in the afternoon. Many of the merchants locked up their shops at noon and with their clerks went home to dinner; probably not one out of a hundred of them lived more than half a mile from his place of business. In the records of business meetings held by the directors of the Merchants' Bank in the evening at the house of one or another of the directors, the hour of gathering is always seven o'clock. People do not seem to have been fond of venturing out at night, perhaps because of the lack of good lights in the streets. The whale-oil lamps were not lighted when there was a moon, or when it rained, the city fathers arguing that no one needed a light when there was a moon, and that when it rained no one would want to venture out.

It has been estimated from the market quotations of the day, the house rents paid, and the cost of food, servants, and clothing, that living in New York in 1803 was about one-quarter of what it is to-day. Probably it was even less expensive in proportion. For this reason the salaries paid by the Merchants' Bank at the beginning of its career may be considered as exceedingly liberal. Mr. Wolcott, the president, received $3,000 a year; Mr. Catlin, the cashier, $2,500, with the privilege of living in the rooms above the banking-house. The other salaries were as follows: First teller, $1,250; second teller, $900; third teller, $700; first book-keeper, $900; three other book-keepers and the discount clerk, $750; runner, $700; assistant clerks, $500; first porter, $350; second porter, $300. Bonds for the faithful discharge of their duties and trusts were required of all the officers and persons employed in the bank, except the porters, with surety as follows: Cashier, $20,000, with three sureties; first teller, $5,000; second and third tellers, discount clerk and runner, $4,000, with two sureties each. All other persons, except the porters, $3,000, with two sureties.

Outside of New York City, the beginning of the century, as has already been noted, witnessed a wonderful growth of business, hampered chiefly by the lack of communication between cities. The mail time by post rider between New

John Remsen.

York and Boston was six days in summer and eight in winter; to Philadelphia it was two days. In smaller country towns there was only a weekly mail. Pekin can be reached to-day more easily than was St. Louis in the early parts of the century. For purposes of trade 250 miles was a greater distance in 1803 than 2,500 miles is to-day. Fulton made his first trip by steam between New York and Albany in 1807, but for years the mails were slow, uncertain, and costly. For a single letter (one composed of a single sheet of paper) the charge was eight cents for any distance under 40 miles; under 90 miles, ten cents; under 150 miles, twelve and one-half cents; under 300 miles, seventeen cents; under 500 miles, twenty cents, and over 500 miles, twenty-five cents. When large sums of money had to be transferred from city to city it was necessary to send special messengers at heavy expense. The difficulty of interstate trade was also increased by the complicated currency, which varied from State to State. In one of the early almanacs

may be found the following rules for reducing the currencies of the different States into each other, and it is to be presumed that such rules were found hanging in every counting-house:

"To reduce the currencies of New Hampshire, Massachusetts, Rhode Island, Connecticut, Virginia, into those of New York and North Carolina, to the given sum add $\frac{1}{3}$ part thereof. Of Pennsylvania, New Jersey, Delaware and Maryland, to the given sum add $\frac{1}{4}$ thereof. Of South Carolina and Georgia, from the given sum subtract $\frac{2}{9}$ thereof. To reduce New York and North Carolina into New Hampshire, Massachusetts, Rhode Island, Connecticut and Virginia, from the given sum deduct $\frac{1}{4}$ thereof. Into Pennsylvania, New Jersey, Delaware and Maryland, from the given sum deduct $\frac{1}{6}$ thereof. Into South Carolina to the given sum add $\frac{1}{16}$, then take half of the whole. To reduce Pennsylvania, New Jersey, Delaware, Maryland into New Hampshire, Massachusetts, Rhode Island, Connecticut and Virginia, from a given sum deduct $\frac{1}{5}$ thereof. Into South Carolina and Georgia, multiply by $3\frac{1}{9}$ and divide the product by 5, or multiply by 28 and divide by 45."

To the evils produced by a debased paper currency, coming from more than 400 sources of issue—from banks with charters, from banks without charters, from cities, from towns, from individuals, from importing companies and exporting companies, from factories, and from the Treasury of the United States—must be added yet other evils which sprang from the opportunities afforded rogues and sharpers. Men without consciences printed their change bills on paper so bad that it fell to pieces in the pockets of the takers. Counterfeiters plied their trade so successfully that hundreds of thousands of dollars of false notes were soon afloat in the country. One gang made its head-quarters in Indian Territory. Another had its presses somewhere on the Hudson. Four members of the Western gang, who were captured at Harrisburg, had in their valises $350,000 of counterfeit notes of the Miami Exporting Company of Ohio. A member of the Eastern gang, when

caught, had with him counterfeit notes of every important bank along the seaboard, from Savannah to Albany. The largest and most carefully organized of them all carried on its operation along the great highway between Philadelphia and Reading and Pittsburgh. The paper on which its notes were printed was made in Virginia; the press-work was done in a hut in the Alleghany Mountains, in Bedford County, Pa.; the engraving was executed by old counterfeiters in a camp at Pine Grove Furnace, on South Mountain, Adams County, Pa.; and the bills, when ready, were put into circulation by travelling gamblers, by a gang of thirty teamsters who drove freight wagons between Philadelphia and Pittsburgh. The newspapers all over the United States were full of notices of false bank-notes, and, what was equally as bad, of notes of banks which had no existence. These wild-cat institutions were the creation of a class of men who would have thought counterfeiting infamous. Two or three of them would associate, select a name and a city, have plates engraved in the best and most artistic manner, print bills of all denominations, and sell them to the exchange brokers, or pass them off in cities far away from the place where the bank was supposed to be located. New York, as a great commercial centre, was a favorite spot, and in it many such imaginary institutions were located. One, taking the name of the State Exchange Bank, and claiming to have $2,000,000 of capital, scattered tens of thousands of dollars in notes all over the South. Another, called the Merchants' and Mechanics' Exchange Company, victimized the people of Augusta, of Fayetteville, and of Charleston. Notes of a third, the Ohio Exporting and Importing Company, appeared at Trenton, at Philadelphia, and in western Virginia. They were engraved in the best manner possible by a firm of reputable bank-note printers, who, finding that they had been deceived by a gang of cheats, gave public notice of the fraud, and declared that upward of half a million dollars of the counterfeit bills had been sent to Cincinnati. That city was so flooded with them that the local banks appointed a committee to

Broad Street, 1796.

investigate and report, and soon published the names of thirteen persons whose chief occupation seemed to be passing wild-cat money. The owners of a fourth, known as the Commercial Bank, did a thriving business from Cooperstown to Buffalo. The president of one of the best known of the city banks happening to be a gentleman named Bayard, a swindler hunted through the army-lists till he found a soldier of the name of Bayard, and, having obtained from him a power of attorney to sign his name to many bills, began to issue bills in imitation of those of the Bank of America. They were drawn on the Agency and Exchange Bank, but when returned to New York for redemption, nobody had ever heard of such an institution.

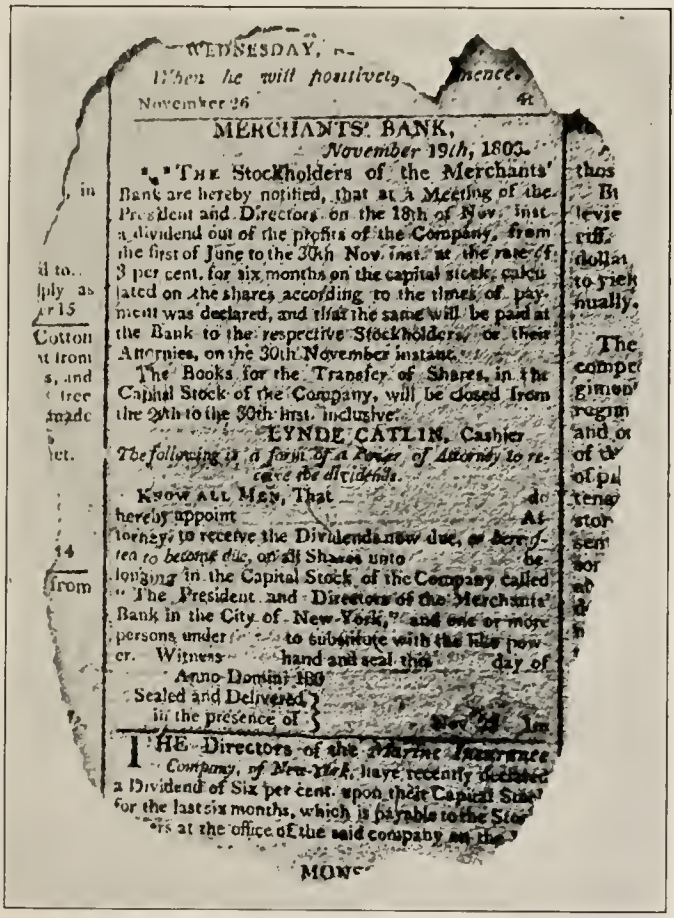
One of the first duties of the officers of the Merchants' Bank was to provide bank-notes. John Swartwout was appointed to superintend the making of the paper, which was done out in New Jersey at the Campbell Mills near Milburn, where paper is still made to this day. Frequent entries in the minute-book are made of the giving out of paper to be printed

Broad Street, looking north from Exchange Place, in 1903.

and the destruction of bank-notes called in. Under date of May 25, 1803, is this minute:

The following articles will be observed as regulations and by-laws of this institution:

Article 1. That the plates, sieve or mould and unprinted blank paper be left at the bank and in the separate custody and charge of the President, whose exclusive duty it shall be carefully to



WEDNESDAY, &c.
When he will positively commence.
November 26 4t

MERCHANTS' BANK,
November 19th, 1803.

THE Stockholders of the Merchants' Bank are hereby notified, that at a Meeting of the President and Directors on the 18th of Nov. inst. a dividend out of the profits of the Company, from the first of June to the 30th Nov. inst. at the rate of 3 per cent. for six months on the capital stock, calculated on the shares according to the times of payment was declared, and that the same will be paid at the Bank to the respective Stockholders, or their Attornies, on the 30th November instant.

The Books for the Transfer of Shares, in the Capital Stock of the Company, will be closed from the 24th to the 30th inst. inclusive.

LYNDE CATLIN, Cashier

The following is a form of a Power of Attorney to receive the dividends.

KNOW ALL MEN, That ____ do hereby appoint ____ Attorney, to receive the Dividends now due, or hereafter to become due, on all Shares unto belonging in the Capital Stock of the Company called "The President and Directors of the Merchants' Bank in the City of New-York," and one or more persons under ____ to substitute with the like power. Witness ____ hand and seal this ____ day of Anno Domini 180

Sealed and Delivered in the presence of }

THE Directors of the Marine Insurance Company, of New-York, have recently declared a Dividend of Six per cent. upon their Capital Stock for the last six months, which is payable to the Stockholders at the office of the said company on the

MONEY

Dividend advertisement from The Evening Post of November 19, 1803.

superintend the printing at the bank of all bills or notes ordered to be printed by the Directors, and a regular account shall be kept of the bank paper in the custody of the President, and of the quantity from time to time ordered for impression, which account shall be checked by quarterly examination of the bank paper in the custody of the President. And it shall moreover be the duty of the President from day to day to visit the bank and to superintend the conduct of the persons employed therein, to sign all bills and notes at the bank which may be issued by order of the Directors, and once in every month, assisted by two or more directors to be appointed by the Board by ballot, to cause the money in the bank to be counted and the amount thereof to be compared with the cash account of the bank, which cash account shall every day be settled and balanced.

The bank was finally opened on the 2d of June, and the first bills were received for discount the next day. That the business of the first year was prosperous is seen in the following statement submitted by the president and cashier to the directors:

Capital Stock of the Merchants' Bank		$1,246,250 00
Paid for Banking House	$31,750 00	
Paid for improvements	3,540 05	35,290 05
Balance employed in banking		$1,210,959 95
Amount of discounts to Nov. 11		$40,679 95
Probable amount which will be received during the remaining discount days in November		5,320 05
		$46,000 00
Expenses, six months' salary	$4,525 00	
Book-binding and stationery	400 00	
Account of checks, bank books, bank-note paper, plates, printing, etc.	1,965 22	
Due Mr. Robinson for rent	300 00	
Sundry bills not paid	409 78	

Deficiency of money in Teller's hands, being errors in receipts and payments	$1,150 00	$10,750 00
Net profit		$35,250 00
A dividend at the rate of 3% for six months, calculated on the shares according to the terms of payment, will amount to.		30,960 31
Surplus		$4,289 69

Under date of November 18, 1803, is the following minute :

Resolved, That a dividend at the rate of 3% calculated on the capital stock according to the terms of payment, be made out of the profits of the Company for the six months commencing the 1st of June and ending the 30th of November inst., and that the same be paid at the Bank to the respective stockholders or their attorneys on the 30th of November inst.

This was the first dividend of a series that has been continued without interruption for 100 years, during which time the Merchants' Bank has paid to its stockholders the enormous sum of $14,765,162.51, or more than ten times the average capital of the institution.

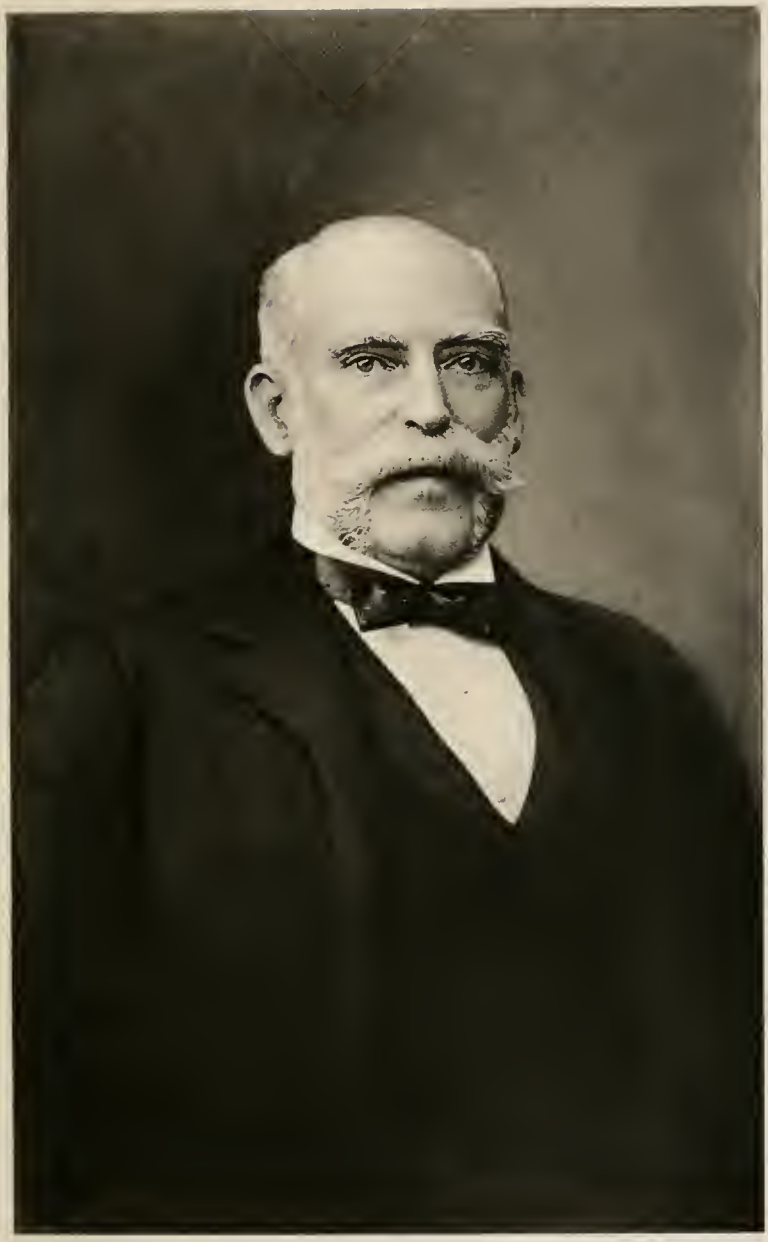
CHAPTER II

THE MEN WHO MADE THE MERCHANTS' BANK—OLIVER WOLCOTT—LYNDE CATLIN—RICHARD VARICK—JOHN SWARTWOUT—THOMAS STORM—JOHN HONE—WILLIAM W. WOOLSEY—HENRY I. WYCKOFF—PETER JAY MUNRO—JAMES ROOSEVELT—JOSHUA JONES.

WITH the exception of Peter Jay Munro, who was a lawyer, all the first directors and officers of the Merchants' Bank were merchants, men of mark in the community, elected for their familiarity with the standing of merchants in their own line of business who might be likely to become customers of the new bank.

Oliver Wolcott, the president, was born at Litchfield, Conn., January 11, 1760. He was the son of Oliver Wolcott, one of the signers of the Declaration of Independence, and was educated at Yale College, graduating in 1778. He had interrupted his studies the year preceding graduation to join the Volunteers who so successfully impeded the progress of the British troops on their expedition to capture the Continental stores at Danbury. In 1779 he volunteered to aid his father in repelling the attacks on the Connecticut coast, and also acted as quartermaster at Litchfield. In 1781, having completed a course of law, he was admitted to the bar, and removed to Hartford, where he was employed in the Financial Department of the State; and in 1784 he was one of the two commissioners appointed to settle the State claims against the Federal Government. In 1788 he was the first to hold the office of Comptroller of the Public Accounts, and in 1789 was appointed Auditor of the Treasury under the new Constitution, holding office until his appointment by President Washington, in 1791, as Comptroller of the Treasury. On the retirement of Alexander

ELBERT ADRAIN BRINCKERHOFF.
Elected Vice-President 1894.



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Hamilton, February 2, 1795, he was made Secretary of the Treasury, which office he filled with signal ability during the remainder of Washington's administration, and the whole of that of John Adams.

In politics Wolcott was a stanch Federalist, and was bitterly attacked by his political opponents, who accused the Federalist officials of trying to destroy the evidence of peculations by setting fire to the Treasury building. Congress appointed a committee to "examine and report whether moneys drawn from the Treasury have been faithfully applied to the objects for which they were appropriated, and whether the same have been regularly accounted for." The investigating committee not having given him a full exoneration, he resigned his office, November 8, 1800. President Adams immediately appointed him Judge of the United States Supreme Court for the Second District, which office he retained until 1802, when he returned to private life in the city of New York, and engaged in mercantile pursuits, becoming president of the Merchants' Bank, and serving in that capacity until the annual election in 1804. In 1812 Mr. Wolcott became one of the founders, and the first president, of the Bank of America, which position he filled until 1814, when he removed to Connecticut, and was elected Democratic Governor of that State in 1817. He was re-elected for ten successive years. Upon the expiration of his official term in Connecticut he again made New York his home, where he died June 1, 1833. A tradition exists concerning the Wolcott coat-of-arms which is of interest to the curious in matters of heraldry. John Wolcott of Wolcott, who lived in the reign of Henry V., and who married Matilda, daughter of Sir Richard Cornwall of Bereford, Knight, won a game of chess in a contest with the king, through skilful use of the castles; whereupon Henry, in recognition of the event, changed Wolcott's coat-of-arms by substituting castles on his shield in place of sheaves of wheat. Henry Wolcott came to America in 1630; was in 1635 among the first settlers of Windsor; participated in the first legislative proceedings of both Massachusetts and Con-

necticut; and was annually re-elected to the councils of the latter State during life. His daughter Anna married Matthew Griswold, the first magistrate of Saybrook, and founder of Lyme, and among her illustrious descendants was the Chief Justice of the United States, Morrison R. Waite. Simon Wolcott, one of the sons of Henry, married the beautiful Martha Pitkin, and their fourth son was the famous Governor Roger Wolcott, who rose to highest military and civil honors. Among his children were Governor Oliver Wolcott (born 1726, died 1797) and Ursula, who married her cousin, Governor Matthew Griswold, of Lyme, and was the mother of Governor Roger Griswold; she had eleven governors among her own immediate family connections and descendants, with at least thirty judges, and many lawyers and clergymen of prominence. The Wolcotts have intermarried with many New York families, and their descendants are nearly as numerous in the New York of to-day as in Connecticut. Oliver's brother, Frederick, married Betsey Huntington, of Norwich. Among the children of the latter was Frederick Henry Wolcott, of Astoria, Long Island. Mary Ann Wolcott, the youngest sister of Oliver and Frederick, was the distinguished beauty who married Chauncey Goodrich. The wife of Oliver Ellsworth, the Chief Justice, was Abigail Wolcott, cousin of the governor. Nearly all the Wolcott ladies were celebrated for personal beauty—none more so, however, than Jerusha Wolcott, daughter of Samuel, the brother of Governor Oliver Wolcott, senior, who married Epaphras Bissell, a descendant of John Bissell, one of the founders of Windsor, and projector of the first ferry across the Connecticut River; her sister Sophia married Martin Ellsworth, son of the Chief Justice. Edward, eldest son of Epaphras and Jerusha Bissell, married Jane Ann Maria Reed in 1823, whose second son, Dr. Arthur Bissell, of New York, married Anna Browne, daughter of Judge Browne, of Rye, N. Y., a descendant of Thomas Browne, of Rye, England, one of the original founders of the town of Rye, N. Y., himself a descendant from Sir Anthony Browne, Standard-bearer of England, whose wife

Lynde Catlin.

was daughter of the Marquis of Montagu, brother to the Earl of Warwick.

Lynde Catlin, the first cashier of the Merchants' Bank, was born in 1768, in Litchfield, Conn. He was educated as a lawyer, graduating at Yale College in the Class of 1786. His descendants among the alumni of that university were: His sons, John M. (Class of 1820), Charles R. (Class of 1822); his grandsons, Lynde A. (Class of 1853), Charles T. (Class of 1856), Rev. Hasket D. (Class of 1859), George L. (Class of 1860), Dr. Arnold W. (Class of 1862); and his great-grandson, the Rev. Sidney C. Partridge (Class of 1880). Mr. Catlin was of English ancestry, the Catlin family having come over to England with William the Conqueror. Several of his ancestors were distinguished men in their day, a number of them being knighted. The family settled in Kent County, England; Sir Robert Catlin being Lord Chief Justice of England during the reign of Queen Elizabeth. Thomas Catlin, the great-great-

great-grandfather of Lynde Catlin, was born in England about 1612. His son, John Catlin, was born in England in 1646, and was married to Mary Marshall, in America, July 27, 1665. Samuel Catlin, his son, and great-grandfather of Lynde Catlin, was born at Hartford, Conn., November 4, 1672. Lieutenant John Catlin, grandfather of Lynde Catlin, was born October 20, 1703, and his son, Captain Alexander Catlin, the father of the Merchants' Bank's first cashier, was born January 6, 1738, and died at Burlington, Vt. He married Abigail Goodman, the granddaughter of Captain Joseph Wadsworth of Charter Oak fame. Lynde Catlin married Helen Margaret Kip, of Albany, N. Y., on October 19, 1793. They had eight children, four of whom died in infancy. One of his sons, John Mortimer Catlin, was Colonel of the Seventh Regiment, N. G. S. N. Y., 1837–39, and was private secretary to John Jacob Astor. Another son, George Catlin, married Catharine Livingston Gardner, a cousin of Generals Phil and Stephen Kearny. While Mr. Catlin was cashier of the Merchants' Bank he attracted the attention of John Jacob Astor, who induced him to become cashier of the branch in New York of the United States Bank (the famous Whig institution of those days), Mr. Astor himself taking the presidency ; and at the dissolution in 1820 of the United States Bank he returned to the Merchants' Bank as its president. In that capacity he died October 18, 1833, and his remains were interred in the family vault in St. Mark's churchyard.

Colonel Richard Varick, one of the first directors and later president of the bank, was born at Hackensack, N. J., March 25, 1753. The common ancestor of the family of that name in this State was the Reverend Rudolphus Varick, minister of the Reformed Dutch Church at Jamaica, L. I., who died in the year 1694. Richard Varick received a good education, studied law, was admitted to the bar, and practised in the city of New York. When the Revolution broke out he joined the army in 1775, and was appointed a Captain in the First New York Continental Infantry, under Colonel Mac-

Richard Varick.

Dougall. On April 10, 1777, being at that time military secretary to General Scarlett, Congress conferred upon him the position of Deputy-Muster-Master-General of the Northern Department, with the rank of lieutenant-colonel. In the following year, the office he held having been abolished, he acted as inspector-general at West Point on the staff of General Arnold until after the discovery of Arnold's treason, when Washington took Colonel Varick into his military family as recording secretary of his official and private correspondence, which position he held during the war. In consequence of the friendship of Varick for General Arnold, and the close relationship which he occupied in Arnold's military household, a rumor was circulated to the effect that Varick was conversant with Arnold's plot to surrender West Point to the British, and a court of inquiry was ordered. This court unanimously reported their opinion "that Lieutenant-Colonel Varick's conduct with respect to the base peculations and treasonable prac-

tices of the late General Arnold is not only unimpeachable, but we think him entitled through every part of his conduct to a degree of merit that does him great honor as an officer, and particularly distinguishes him as a sincere friend of his country." The finding of the court of inquiry was approved by Alexander Scannel, the adjutant-general, on November 16, 1780.

In 1783 Colonel Varick accepted the office of Recorder of the city of New York, which position he filled until 1789. In May of this year he was appointed attorney-general, and the following September elected Mayor of the city of New York, which office he retained until Edward Livingston succeeded him in 1801. Colonel Varick was president of the New York Society of the Cincinnati from 1806 until his decease, which occurred at his residence in Jersey City, July 30, 1831. He married the daughter of Isaac Roosevelt. He died without issue surviving him. Colonel Varick was the third president of the American Bible Society, succeeding Mr. Boudinot, who succeeded John Jay. In 1787 he was Speaker of the New York State Assembly. Colonel Varick retained the presidency of the bank until 1820, when he was succeeded by Lynde Catlin.

John Swartwout was a noted politician. He was originally a director in the Manhattan Company, but through Clintonian influence, after a hotly contested election, lost his seat in the directorate. He was one of Aaron Burr's most devoted friends, and loudly accused De Witt Clinton of opposing Burr (who also lost his seat in the Manhattan directorate) on personal and selfish grounds. Clinton heard of it, and called him a liar, a scoundrel, and a villain. As a result, Swartwout challenged Clinton, and a duel was fought at Hoboken, which was one of the most remarkable conflicts of the kind that ever occurred in this country. Clinton's second was Richard Riker, who was afterward City Recorder; and Swartwout's second was Colonel W. S. Smith. The arrangements were elaborate and positive, being drawn up formally in ten articles and duly signed. The scene on the ground was graphically described in the newspapers of the day. The first fire was ineffectual. Clinton,

through his second, asked Swartwout if he was satisfied, who replied in the negative. A second fire was again exchanged without effect, and Clinton, making the same inquiry, received the same answer. A third shot was exchanged without injury, although the ball passed through Clinton's coat. Clinton again disclaimed having any enmity toward Swartwout, and asked if he was satisfied; Swartwout responded promptly and positively in the negative, until a written apology was signed. The document was submitted to Clinton, who handed it back, saying he would sooner fire all night than ask Swartwout's pardon. The parties again took their stations and fired a fourth shot. Clinton's ball struck Swartwout's leg a little below the knee. Clinton then offered to shake hands and bury the circumstance in oblivion; but Swartwout, standing erect, stoutly declined anything short of an ample apology, and they fired a fifth shot, Swartwout receiving another ball in the left leg, about five inches above the ankle. Swartwout then coolly insisted upon taking another shot, but Clinton left his place and refused to fire again. The surgeons dressed Swartwout's wounds and all returned to the city. It is said that after the last shot Clinton approached Swartwout and offered his hand, saying: "I am sorry I have hurt you so much;" and then, turning to Swartwout's second, Colonel Smith, added, "I wish I had the principal here," referring to Mr. Burr. The duel was fought in 1802. The enmity existing between Clinton and Swartwout appears to have been allayed in later years, for in 1815 we find that Swartwout was an enthusiastic promoter of the Erie Canal, and served on a committee with Mayor Clinton, which was appointed at a meeting chosen to prepare and circulate a memorial to the Legislature in favor of this enterprise.

Thomas Storm was a prominent merchant and philanthropist. He was a member of the first Board of Directors of the first Missionary Society, founded in 1796, its purposes being to propagate the gospel among the Indians and the destitute settlers on the frontier.

John Hone was an elder brother and mercantile partner of

The Brick Meeting House, looking south, in 1800. St. Paul's in the distance.

Mayor Philip Hone, and lived in one of the seven houses fronting the Bowling Green, the site of the old fort and Government House. His daughter married Myndert Van Schaick, who lived on Broadway, near the residence of Peter Augustus Jay, above Chambers Street. Another daughter married the Reverend Dr. James M. Matthews, of the Dutch Reformed Church, and resided in Broad Street. The Hones were celebrated auctioneers of New York City in their time. The firm of Philip and John Hone was dissolved in 1826, but for the sake of his sons John determined to continue the auction business under the name of John Hone & Sons, they having a store on the northeast corner of Wall and Pearl Streets, where the Seaman's Bank for Savings now stands. John Hone died during the cholera epidemic of 1832, and for some time afterward the style of the firm remained unchanged. The Legislature of this State, however, subsequently passed a law that no name should appear in a mercantile firm unless there was really such a person in the firm. The firm of John Hone & Sons was well known, but John Hone was dead. The sons evaded the law by changing the firm to John Hone's Sons, which

then consisted of Isaac and Henry Hone and Myndert Van Schaick.

William Walton Woolsey, an eminent merchant of the day, was born September 17, 1766. In 1795 he established the house of Rogers & Woolsey at 285 Pearl Street. He was descended from George Woolsey, who came to this city in 1623 from England, and engaged in the business of a trader with the Indians, in which he continued until 1647, when he retired, having bought a country-place at Astoria, on Long Island, where he died in 1698, at the age of eighty-six years. William Walton Woolsey was one of the most prominent members of the Chamber of Commerce. He was elected its secretary in 1796, and in 1825 vice-president, and he continued to be re-elected until his death, in 1838. During his lifetime he was engaged in nearly every benevolent and useful work carried on in the city of New York. In 1797 he was vice-president of the Manufacturing Society; and at various times he served as a governor of the New York Hospital. In 1807 he was the president of the Eagle Fire Insurance Company. He was treasurer of the American Bible Society. Mr. Woolsey resided in 1818 at No. 61 Greenwich Street, and owned the adjoining houses from 57 to 61. His house, which stood on the corner of an alley-way, was an extensive mansion, and in its palmy days was one of the most desirable houses in New York. It was the abode of good, old-fashioned New York hospitality.

Henry I. Wyckoff was also an important merchant in his day. He was one of the governors of the New York Hospital from 1802 to 1809, and again from 1830 to 1839, in which year he died. He represented the First Ward in the Board of Aldermen from 1821 to 1825, and was one of the committee appointed at the time of the celebration of the opening of the Erie Canal.

Peter J. Munro was a celebrated lawyer, who resided at No. 36 Broadway. He was born about 1767 and died September 22, 1833, being buried at New Rochelle, where he owned an extensive country-seat. Mr. Munro married a daughter of

James Roosevelt.

Henry White. In a list of property owners of the city of New York compiled in 1799, Mr. Munro's house is put down at a valuation of £3,500.

James Roosevelt, the great-uncle of President Theodore Roosevelt, was a son of Isaac Roosevelt, who was at one time president of the Bank of New York. He married a Miss Walton, who was a daughter of William Walton and a niece of Admiral Gerard. He was largely engaged in the sugar-refinery business at No. 8 Jacobus Street; this was before Cliff Street was opened through, it being in previous years the alley-way to the old Roosevelt sugar-house. The property ran back from Jacobus Street to Franklin Square, and was thirty or forty feet wide. In the middle was a large sugar-house, which stood where Cliff Street now runs. The old sugar-house was first erected before the Revolution, and worked during the war and for forty years afterward. It was built by Isaac Roosevelt, who was a great man in his day and generation. The Isaac

Joshua Jones.

Roosevelt mansion was originally 159 Queen Street (now Pearl), the property now owned by Harper & Brothers. Opposite the Roosevelt residence stood the famous Walton House, which, in 1786, was occupied by the Bank of New York, of which Isaac Roosevelt was president in 1786. When Isaac Roosevelt was president of the bank, the active old gentleman would get an early breakfast, run into his sugar-house in the rear and direct his son, who was his partner under the firm of Isaac Roosevelt & Son, and then run across the street to his bank, where he would remain from ten until one, when master and clerks closed the establishment for dinner at one o'clock. The bank was opened again at three to remain open until five o'clock.

Joshua Jones was born in the city of New York January 31, 1757. He lived for many years in Wall Street, but subsequently removed to No. 70 Broadway, where he died in September, 1821. He was for many years a Warden of Trinity

Church, and also Comptroller of the Trinity Corporation. He was buried in his family vault in Trinity Church, and when the alterations were made in the church the Jones vault was inclosed inside the walls. A tablet to his memory can be seen in the south vestry-room of the church at the present time. His life was full of good deeds, and he died as he had lived, a sincere Christian gentleman, leaving to his descendants an honored name and a repute for sterling integrity of which his descendants are justly proud.

JOHN AIKMAN STEWART.
Elected Director 1868.

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CHAPTER III

EARLY STOCKHOLDERS OF THE MERCHANTS' BANK—DAVID LYDIG—WYNANT VAN ZANDT—HENRY A. COSTER—JOSIAH O. HOFFMAN—JACOB RADCLIFFE—WILLIAM PAULDING—NICHOLAS FISH—WILLIAM COLEMAN—MARINUS WILLETT—SAMUEL JONES—PRESERVED FISH—HENRY BARCLAY—NATHANIEL PRIME—ANTHONY LISPENARD—JOHN H. SUYDAM—ISAAC HICKS—PETER REMSEN.

THE second meeting of the Merchants' Bank Association, according to the minutes, written out in a beautiful clear hand, the ink and paper now but little faded, was on April 9th, when the committee appointed at the first meeting to make inquiry for a building suitable for the purposes of a bank reported that they had agreed to purchase from Mr. William Henderson his house at 25 Wall Street, for the sum of $31,750. The capital of the bank was fixed at $1,250,000, divided into shares of $50 each. Among the best known stockholders were the following merchants, in addition to the directors already mentioned :

Gilbert Aspinwall,
Richard Harrison, Recorder of the City,
William S. Burling,
Josiah Ogden Hoffman,
William Fitch,
Jordan Mott,
P. W. Radcliffe,
Valentine Hicks,
Abm. R. Lawrence & Co.,
Richard R. Lawrence,
J. & G. De Peyster,
Preserved Fish,
Jacob Mott,
Peter Ludlow,
Gabriel W. Ludlow,
Leonard Bleecker,
Henry Barclay,
Abraham Varick,
Nathaniel Prime,
Col. Marinus Willett,
Abraham Valentine,
Cornelius P. Wyckoff,
John Remsen,

Margaret Stuyvesant,
G. Stuyvesant,
Jacob Valentine,
Samuel Burling,
James Tillary,
Judge Daniel D. Tompkins,
Charles L. Cammann,
Peter A. Cammann,
Cornelius C. Roosevelt,
Isaac Disosway,
Anthony Lispenard,
John T. Duryee,
David Lydig,
Joseph Otis,
Colonel Nicholas Fish,
Anthony Dey,
William Stillwell,
Joshua Sands, Collector of the Port,
W. B. Varick,
Abraham Varick, Jr.,
John Peter Delancey,
Courtland Van Beuren,
Arent S. De Peyster,
Peter Remsen,
John Fors,
John F. Suydam.

David Lydig was a son of Philip Lydig, a native of Germany and of good family, who came to this city in the early part of the last century, and established himself in the business of a baker, supplying vessels with sea-biscuit. David Lydig, at his father's death, found himself in the possession of a very substantial property. He had received a good education, and inherited his father's handsome person, and was endowed with all his sagacity, judgment, and good sense. He purchased a valuable water-front at Buttermilk Falls near West Point, where he erected large mills for the manufacture of flour. At South and Dover Streets he had a depot for its sale, and for the transaction, generally, of the business of a wholesale flour-merchant. He married the daughter of Peter Mesier, and took up his residence at 35 Beekman Street, next door to the house of General Ebenezer Stevens. Subsequently he purchased the country residence of the Delanceys in Westchester County, adjoining the village of West Farms, situated on both sides of the Bronx River, embracing a large number of acres, in which was included the family mansion on the bank of the river, built by Peter Delancey at the beginning of the nineteenth century. In this purchase was united a mill-power nearer to the city and

David Lydig.

accessible by water, together with a beautiful country-seat. Mr. Lydig continued as a director in the Merchants' Bank until his death in 1842. He was also for many years treasurer of the German Society of this city, and was afterward elected as president, succeeding in that office Baron Steuben and David Grim. His son, Philip Lydig, was connected with the business at No. 160 South Street, under the firm name of David Lydig & Son, as early as 1824, and he also retired from business at the time his father wound up the concern. He married the eldest daughter of John Suydam. The eldest daughter of Philip married Judge Charles P. Daly; another daughter married Judge John R. Brady, and a third, Frank K. Sturgis. Another son, Philip M. Lydig, served on the staff of General Sheridan during the Civil War. He married Miss Pauline Heckscher, third daughter of Charles A. Heckscher, one of the most prominent merchants of his day.

Wynant Van Zandt, Jr.—the common ancestor of the Van Zandt family of New York was Jacobus Van Zandt —represented an opulent family of pure Holland origin. The original Wynant Van Zandt, styled "gentleman" in the records, held important trusts under Charles I. In 1638 he was commissioned by that monarch as agent for England in the city of Amsterdam to act in connection with the British minister in regard to certain matters of moment. The first of the name settled in New York about 1682. Jacobus Van Zandt married Margareta van der Voel in 1681, and emigrated from the city of Anheim, Holland, to New York in 1682. His son Wynant was born in New York in 1683, and died in 1763. Wynant's son Wynant was born in 1730, and died in 1814; and Wynant, son of Wynant second, was born in 1767, and died in 1831. Thus there were three Wynant Van Zandts in old New York, all men of wealth and worth in their generation; also Wynant, grandson of Wynant third, and his son Wynant of the present day. Jacobus was surgeon in the army under Washington at Valley Forge and Trenton, and served throughout the Revolutionary War. His wife and daughter fled to Morristown, N. J., during the occupation of New York by the English. Miss Catharine Van Zandt was one of the leading belles at the Inauguration Ball of our first President, and married in 1788 James Homer Maxwell, son of the founder of the first banking establishment in New York. In 1796 Louis Philippe, while in New York, was entertained by Wynant Van Zandt, third, and after his return to France wrote an autograph letter of thanks for the hospitality shown him, sending at the same time to Van Zandt a beautiful watch-seal as a token of appreciation and remembrance. The old homestead of the Van Zandt family was in William Street. Wynant Van Zandt was one of the Building Committee of the Board of Aldermen that put up the present City Hall. He was opposed to putting up the front white, and rear with redstone, as he remarked, with sagacity, that the city would in a few years extend far beyond the City Hall. His colleagues laughed at the idea,

Josiah Ogden Hoffman.

and so they used brownstone, for the sake of economy. Again, when it was proposed to lay out Canal Street sixty feet wide, he opposed it, and made a plea for one hundred feet, for the reason that the street was destined to be one of the greatest thoroughfares in the city. They derided this idea also, but finally yielded, and for the width of Canal Street the city is indebted to Alderman Van Zandt.

Henry A. Coster owned a handsome residence in Chambers Street, and also a country-seat on the East River, near the foot of Thirtieth Street. His wealth, and that of his brother John G. Coster, added materially to the prosperity of New York. They were importers of all kinds of goods, and were constantly buying and shipping to Europe a variety of American produce. Both brothers were directors in the chief money corporations of the period—John G. Coster being elected president of the Manhattan Company to succeed Henry Remsen in 1826. They were also directors in two insurance companies, the Phe-

Jacob Radcliffe.

nix and the Globe, and were large contributors to the humane institutions of the day. One of the daughters of Henry A. Coster married William Laight; another married Hamilton Wilkes, a son of Charles Wilkes, of the Bank of New York. John G. Coster built a splendid granite double residence above Canal Street on Broadway, about 1833, which was considered palatial in its day. His children intermarried with the Primes, Delanceys, and other notable families. The Coster mansion on the East River was of the Grecian type of architecture, then in vogue upon Manhattan Island. It was finely shaded, and a smooth-cut lawn extended to the river's edge. Of the $16,000,000 loan authorized by Congress on February 8, 1813, Henry A. and John G. Coster subscribed for $100,000.

Josiah Ogden Hoffman was a famous lawyer, and Recorder of the city of New York from 1810 to 1811 and from 1813 to 1815. He was a Sachem in the Tammany Society in 1791, and was counsel for Samuel G. Ogden in the celebrated Miranda

Expedition case, and succeeded in obtaining the acquittal of Ogden before the United States Courts in this city, in 1806. Ogden had organized an expedition to Caracas, South America, which sought to drive the Spaniards out of that country, and which signally failed. Mr. Hoffman was a delegate from Albany to the Constitutional Convention in 1801; was Attorney-General of this State, 1795 to 1802; was member of Assembly from New York in the Fourteenth to Eighteenth Legislatures, 1791 to 1795, and in the Thirty-sixth Legislature, 1812 to 1813. He was one of the first justices of the Superior Court, serving as such until his death, which occurred January 24, 1837, at the age of seventy-one years. Judge Hoffman's sons were Ogden Hoffman, the eminent lawyer; Charles Fenno Hoffman, the poet and novelist, and Murray Hoffman, also a judge of the Superior Court and a voluminous writer on legal topics.

Jacob Radcliffe was the son of William Radcliffe, who was a captain of militia in the Revolution, and rose to the rank of brigadier-general. William Radcliffe was a member of the State Legislature, his residence then being at Rhinebeck, Dutchess County. He died in 1831, leaving four sons and two daughters, of whom Jacob was the eldest. Jacob was educated as a lawyer, and began practice at Poughkeepsie, and at an early age was appointed one of the judges of the Supreme Court. He subsequently removed to New York, and soon after resigned his judicial office, returning to the practice of his profession. He was appointed Mayor of the city of New York in 1810, and also served in this position in 1815, 1816, and 1817.

William Paulding was the son of William Paulding, the well-known and conspicuous Revolutionary compatriot, who was for some time a member of the Provincial Congress, and also held the position of Commissary-General. Mr. Paulding was born at Tarrytown, Westchester County; the old mansion of his father standing on the river shore in that village, a venerable relic of the Revolutionary era. He received a classical education and removed to the city of New York about 1795, where he commenced the practice of the law. In 1802 he

William Paulding.

formed a partnership with Mr. Barton, the firm being Paulding & Barton. He married a daughter of Philip Rhinelander, a wealthy merchant, through which connection he came into a large estate. He became somewhat conspicuous as a politician, and was attached to the party of James Madison, and was an active participator in the exciting events of the War of 1812. At that time he became a general in the State forces, and thus acquired his title of "General," by which he was commonly known. Mr. Paulding's residence was on the northwest corner of Greenwich and Jay Streets, in one of what were then the finest houses in the city, commonly called "Paulding's Row." Toward the close of his life General Paulding retired to the vicinity of Tarrytown, where he had built an elegant mansion, and there resided until his death, which occurred in 1856, he being then about eighty years of age.

Nicholas Fish was born in the city of New York August 28, 1758. At the age of sixteen he entered the College of

Nicholas Fish.

New Jersey. He soon left it to study law in the office of John Morin Scott. He was appointed Second Lieutenant in the Fusileers, an independent uniformed company of New York City militia, in 1775, which was consolidated into Colonel John Lasher's regiment, as the First New York Independent Battalion of Volunteers. In 1776 he was appointed Aide-de-camp to Brigadier-General John Morin Scott, and on June 21st of the same year Major of a brigade. On November 21, 1776, he was appointed Major of the Second Regiment New York Continental Infantry, under the command of Colonel Van Cortlandt. He was appointed in 1778 Brigade Inspector of General Enoch Poor's command, and in the same year Division Inspector under Baron Steuben. At the battle of Monmouth he commanded the corps of light infantry, and subsequently accompanied General Sullivan's campaign against the Six Nations. Under Lafayette he served in the light infantry during the campaign of 1780, marching with his regiment to Vir-

William Coleman.

ginia, and taking an active part with Hamilton's corps in the engagements which resulted in the surrender of Lord Cornwallis. In 1782 he was with the main army under General Washington at Verplanck's Point (West Point), and near Windsor until the close of the war. In 1786 he was appointed Adjutant-General of the State of New York. He was an Alderman in New York City from 1806 to 1817, and was elected president of the Cincinnati Society of New York in the years 1797 and 1805. He was the first president of the Butchers' and Drovers' Bank, founded in 1830. He married Elizabeth Stuyvesant, by whom he had five children; his oldest son being Hamilton Fish, Secretary of State from 1869 to 1877. Nicholas Fish died in the city of New York June 20, 1833.

William Coleman was born in Boston, Mass., February 14, 1766. He was educated as a lawyer and removed to New York City in 1794, and was for a short time a law partner of Aaron Burr. With the support of Alexander Hamilton and the

leading members of the Federal party, he founded the *New York Evening Post*, the first number of which was issued November 16, 1801. Mr. Coleman was its sole editor for over twenty years. The *Evening Post* was a devoted adherent of that party until the close of the second war with England. Mr. Coleman died July 13, 1829.

Marinus Willett was born on July 31, 1740, at Jamaica, L. I. In 1758 he obtained a commission as Second Lieutenant in the Long Island Company of Colonel Oliver Delancey's Regiment, in General James Abercrombie's expedition to Ticonderoga and Crown Point. After the repulse and death of the first Lord Howe, a detachment of 3,000 men, including Lieutenant Willett, was sent under Colonel John Bradstreet to Oswego, and across Lake Ontario to Canada, against Fort Frontenac (now Kingston). When the British troops in New York City were about embarking for Boston, Lieutenant Willett, with the assistance of a few others, took down the King's arms from the old New York City Hall, then in Broad Street. In 1775 he was appointed Captain of Colonel McDougall's First New York Regiment, Continental Infantry, and proceeded with it to join General Richard Montgomery in the expedition to Canada. In 1776 he was appointed Lieutenant-Colonel of the Third New York Regiment, under Colonel Peter Gansevoort, and stationed at Fort Constitution until May 18, 1777, when he marched up the Mohawk to the Oneida carrying-place (Fort Stanwix), where he had already been stationed under General John Stanwix during the French War. He served during the remainder of the war with distinction, receiving from Congress a resolution commending him for his bravery and success, and presenting him with an elegant sword in the name of the United States. After the peace he retired from the army and was elected, in 1784, Sheriff of the City and County of New York, which office he held for four years. In 1790 he was appointed by Washington to adjust the existing differences with the Crete Indians about the tract of land on the Opence, which the State of Georgia claimed. In 1807

Marinus Willett.

he was elected Mayor of the City of New York. His death occurred August 22, 1830. He was buried in Trinity churchyard with military honors; ninety guns, in commemoration of the years of his life, were fired on the Battery.

Samuel Jones, Jr., was born May 26, 1769. In 1790 he was graduated at Columbia College, and studied law in his father's office, having for his fellow-student De Witt Clinton. He held many important judicial offices, and at the outset of his career took an active part in politics. From 1812 to 1814 he was a member of the Assembly; and in 1823, Recorder of the City of New York. He was appointed Chancellor of the State in 1826, serving until 1828, when he was made Chief Justice of the Superior Court of New York City, which position he occupied until 1847, when he became a justice of the State Supreme Court, occupying that station until 1849. At the age of eighty, on the expiration of his term, he resumed the practice of the law, and was actively engaged in professional life

until within about two months of his death. Judge Jones was often called "the father of the New York Bar." He was one of the original organizers of the Union Club, and it was in the Athenæum rooms, then at Chambers Street and Broadway, that Chief Justice Jones and his associates met on October 18, 1836, to authorize the committee of formation to organize the club. He died at Cold Spring in 1853.

Henry Barclay was a son of Thomas Barclay, who was British Consul in New York in the early days of the Republic, and he always claimed to be British, as he was born under the shadow of that flag. He established himself as a paper dealer and built mills at Saugerties from which he derived a large fortune.

Nathaniel Prime, of the great banking firm of Prime, Ward & King, was said to have been in early life a coachman to the rich William Grey, a Boston merchant, who set him up in business as a broker in a small way. When he retired in 1832 he was accounted the third richest man in New York. His mind became unbalanced and under the fear of poverty he cut his throat.

John F. Suydam was a dealer in teas and wines, and the head of the firm of Suydam & Wyckoff, one of the large losers by the fire of 1835.

Anthony Lispenard was one of the great family whose farm extended for acres along the Hudson River below Canal Street. The Lispenards built breweries, from which they derived an income long before their farm became valuable as building lots.

Preserved Fish, shipping merchant, was born at Portsmouth, R. I., July 3, 1766, son of Preserved Fish, a descendant of one of the Huguenot settlers of New England. His father was a blacksmith by trade, and he himself worked at the anvil until he was fourteen years of age, when he was apprenticed to a farm; but farm life did not suit the boy, who was high-spirited, and he soon found his way on board a whaling-vessel bound for the Pacific. Storm and tempest had no terrors for him, and he so

easily mastered the art of navigation that at the age of twenty-one he was made captain. He commanded a number of vessels, and by shrewdness and tireless energy accumulated a fortune. Captain Fish left the sea in 1810, and settled in New Bedford as a shipping merchant. Cornelius Grinnell was his partner, and the firm was known as Fish & Grinnell. Owing to some political trouble he left New Bedford, selling his house and effects at less than half their cost, and two weeks later settled on a farm which he had purchased at Flushing, L. I. His life as a farmer was not a long one, however, and he removed to New York City, where he was appointed harbor master. He entered zealously into politics and a number of lucrative positions were offered him, but he declined to accept them. In 1815 he formed a partnership with Joseph Grinnell, and as Fish & Grinnell the firm did a large business, their house being among the first to establish a regular line of packets to Liverpool, ships varying from 340 to 380 tons burden. In 1828 Fish & Grinnell were succeeded by the firm of Grinnell, Minturn & Co., and Mr. Fish went to Liverpool, where he formed a partnership with Edward Carnes and Walter Willis, English merchants, and for two years carried on a shipping business. He unfortunately lost by this connection, and being dissatisfied with the English methods of transacting business, returned to New York and became associated with Samuel Allay; but a difference with regard to some unimportant matter led to a dissolution of the firm in six months. He remained out of business for seven years, and then was elected president of the Tradesman's Bank, to the interests of which he devoted the remainder of his days. He was a member of the Chamber of Commerce from May 5, 1818, up to the time of his death. Mr. Fish was eccentric, but was an upright and distinguished merchant, and possessed many benevolent traits of character. He was married three times, but left no children. His Christian name was one that had come down in the family; but romantic stories are sometimes seen in print to the effect that his father, the first of the name, was found on the sea-shore, or in a drift-

CHARLES STEWART SMITH.
Elected Director 1877.

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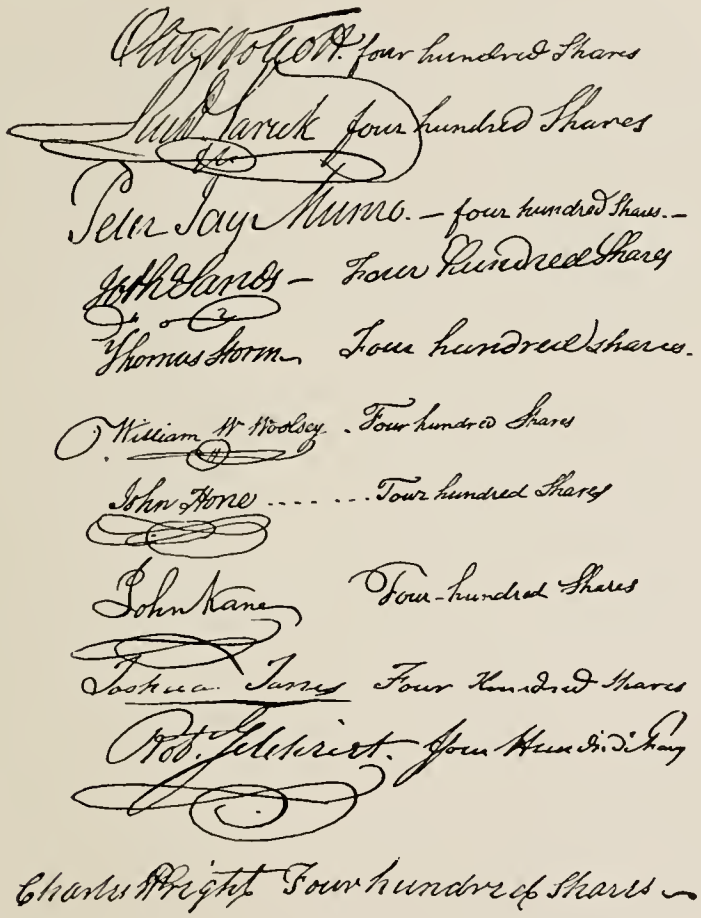
ing boat, when an infant. He died in New York City July 23, 1846.

The complete list of the first stockholders of the bank, as taken from the records of 1803, is printed in the Appendix, the first page being given here in fac-simile:



CHAPTER IV

THE CHARTER FIGHT OF 1804—OPPOSITION FROM RIVAL BANKS—THE STRUGGLE IN THE LEGISLATURE—ACCUSATIONS OF BRIBERY AND CORRUPTION—THE LONG CONTROVERSY AS REFLECTED IN THE NEWSPAPERS OF THE DAY.

AT the session of the Legislature of the State of New York in 1804 the associates composing the Merchants' Bank applied for a charter. The application was based on the ground that more banking capital was required to facilitate commercial and other business in the city of New York; and that having invested their capital for banking purposes, when by law they had a right so to use it, and having incurred considerable expense in the prosecution of their objects, they claimed from the justice of the Legislature either an act of incorporation or the privilege of using their money in the manner they were by law authorized to do when they incurred their expenditures. But the leading Representatives from the city of New York in the Legislature (including De Witt Clinton), some of whom were largely interested in and Directors of the Manhattan Company, and also several of the most influential Republicans of Albany, at the head of whom were John Taylor and Judge Spencer, who were deeply interested in the State Bank at Albany, warmly opposed their application. They did not ostensibly oppose it upon the ground that the increase of banks would diminish the profits of existing institutions, but because they alleged that the public interest did not require an additional bank in the city of New York; and because, as they asserted, the granting of the application would be injurious to the Republican party, the applicants being of the Federal party. Hence, the Republican or Democratic papers, the *American Citizen* of New York, and *Albany Register*, were

Front Street and Maiden Lane in 1816 Abraham Valentine was one of the early stockholders of the Bank.

made to announce that the applicants were "Federalists and Tories," and to urge that as a reason why the Republican members of the Legislature ought not to consider the application. Judge Spencer reported the following objections to the Legislature :

1. Because there are three banks already established by law in the said city of New York, possessing capital stock to the amount of about $5,000,000, with authority to issue notes and create debts to the amount of at least $15,000,000. And when it is considered that an alarming decrease of specie has taken place in the United States generally, and still continues to take place, it is jeopardizing the interests of the community to erect other banks, and more especially in the city of New York, thereby to increase the influx of bills of credit, altogether too great, and to further banish from circulation the precious metals.

2. Because the bill contains no evidence, nor does there any exist any on the journals of either house, or by petition before the Legislature, that the creation of a fourth bank in the city of New York is required by the commercial interests of that city, or the agricultural interests of the State; the obvious conclusion therefore is that the said bill is passed to promote the cupidity of a few

individuals at the expense and manifest prejudice of those banks already established by law; an incorporation under these circumstances would promote a dangerous species of speculation, the bane of all well-regulated governments.

4. Because, from the facts stated in the last objections, there are at least good grounds to apprehend, should the said bill become a law, that the public opinion will attribute its enactment to means the most foul and unwarrantable: and thus a want of confidence will be produced on the part of the people toward those to whom legislative powers may be entrusted, and in the end the public functionaries will lose that respect and confidence so essential to the maintenance of the laws and the upholding of government itself.

The war was carried on in the newspapers with a bitterness almost incredible at this time. Cheetham of the *Citizen*, the chief newspaper opponent of the Merchants' Bank, lost no chance to hold up his rival, Coleman, the editor of the *Evening Post*, and a shareholder in the Merchants', to public derision; and Coleman, although a man of peace, could strike back, as witness this squib from the *Post*:

"Lie on Duane, lie on for pay,
And Cheetham, lie thou too;
More against truth you cannot say
Than truth can say 'gainst you."

The following extracts from the *Evening Post* of 1804 furnish curious side-lights upon the battle:

March 8.—Judging from the information contained in two of the morning papers, it seems to be the prevailing opinion of the Legislature that it will best promote the success of the Clintonian candidate for governor to destroy both the bank and charter. We cannot, however, but suspect that they will see cause for a change of opinion in these particulars, before they give the decisive blow.

March 12.—The Merchants' Bank is supposed by many to be in great danger of being destroyed, as the Legislative Committee have reported against it by a majority of two. We confess, however, we do not yet believe they will carry through their plan of destruction. We yield to the impression that they do not feel themselves entrenched strong enough in power to do so mad a thing.

March 14.—"Notice.—The Merchants, Traders, and other citizens, who are of opinion that the Merchants' Bank, and all other unchartered Institutions, should be restrained from issuing Bills of Credit and all other Banking operations, are requested to meet at the Union Hotel, in William Street, at 7 o'clock on Thursday evening." The above is from the "Citizen" of this morning. The object of this meeting is to give support to the attempt to destroy the Merchants' Bank.

Without entering the least into a defence of the Merchants' Bank, we cannot refrain from expressing our utter astonishment that so alarming an experiment should be hazarded by any men or set of men who possess a respectable share of property in New York. This attempt to suppress a rival institution was not to have been expected from men of liberality, and can only be accounted for from powerful motives of self-interest; but that they should go the length of calling a public meeting of our citizens to aid them in their project of destruction is believed to be unprecedented and unparalleled in this country, and cannot but meet with the marked disapprobation of every member of the community who regards its peace or welfare.

It is the first time that our citizens have been publicly called upon to promote the particular interests of one set of men to the injury of another, and even, under present circumstances at least, to the prejudice of the public good.

The principle on which this attempt is made, when seriously considered, is in itself such as to alarm every reflecting mind. It is in fact, an attempt by the aid of a public meeting to support an attack on private right; and if it shall prove successful, who can possibly tell how long it will be before we shall find similar measures adopted to advance or defend the claims or pretensions of one individual citizen against another?

. . . This is not, believe it, fellow-citizens, an exaggerated view of the subject, as to this being only a method of counteracting what was done by a meeting of the merchants, last evening, in favor of the Bank. Let it be observed that he must have a very shallow or a very disordered understanding who does not perceive and feel the vast difference there is between meetings held to express their sense to the Legislature in favor of an application to secure and defend the lawful rights of property, and meetings called to destroy and oppose them. . . . We conclude by declaring that it is not so much the cause of the Mer-

East side of Broad Street in 1803. The Custom House in the distance.

chants' Bank that we mean to advocate as it is that we mean to bear our testimony against the pernicious and alarming principle on which its opposers are proceeding.

March 15.—To all serious and considerate men.—The proposition of a meeting to be held this evening in order to aid the plan of certain individuals to destroy the Merchants' Bank, we cannot forbear to repeat, is one of the most dangerous and outrageous attempts on the rights of individuals that our country has witnessed.

. . . Let considerate men of all parties seriously reflect on the consequences of admitting so horrid a principle, and let them on this occasion show that they will with energy, and by every lawful method in their power, resist the desperate attempt.

. . . If it is said that the institution was illegal in its origin, the answer is ready; our courts of law are open, and will pronounce its contracts to be void.

Let us ask the gentlemen of the banks who lend their countenance to this measure, what security they have that their own ruin will not be precipitated by the same mad means now pursued against the Merchants' Bank? . . . Only let a ruling party declare that the public good requires the suppression of the Manhattan Company or the Bank of New York (which, as well as the Merchants' Bank, was in operation long before it had a charter),

and we beg to be informed where, after this, will gentlemen turn for a security against the measure? Pause, for heaven's sake, pause before it is too late.

March 15.—Extract from a letter just received, dated Albany March 11, 1804.—No one can, as yet, pronounce with any certainty as to the fate of the Merchants' Bank. Its prospects, it is true, are gloomy enough, and from appearances its death-stroke is not far distant. You may, however, be assured that there exists in the Assembly a very great indisposition to pass a law so violent and unnecessary; but you can form no idea of the arts and misrepresentations which have been practised to bring them into the measure. A paltry petition consisting of 148 names, many of them of no note whatever, is palmed on the members as the unanimous expression of the wish of the citizens of New York. A counter-petition of more than 600 names, infinitely more respectable, is cried down as composed of merchants' clerks and tidewaiters. The most inflammatory letters are received by every mail from not more than half a dozen interested men, and those are read to members, as they sit in the house, who can hardly get on with their other business from the interruptions which they receive from the agents of the Manhattan Bank. . . .

. . . By their clamors they have completely silenced Judge Livingston. He has, as you know, always been hostile to the association; but from a fear that its suppression might injure your city, he has ventured to say that it would be best to let it alone and restrain future associations. He has been made to suffer for this indiscretion, which I, however, should call liberality.

March 16—Merchants' Bank. In consequence of the notice of the "Citizen" of yesterday, calling on all persons who thought that the Merchants' Bank and all other unchartered institutions should be restrained from issuing bills of credit to meet at the Union Hotel, there appeared at the place appointed a vast concourse of our citizens. . . . It is supposed there were present at least 800 persons. Mr. Samuel Osgood was chosen chairman, and William L. Rose was chosen secretary. A string of resolutions was then read. . . .

On reading the first resolution, Mr. Matthew L. Davis rose to address the meeting, but his voice was for some time drowned in "Down with him! Down with him!" and "Hear him! Hear him!" At length he got leave to speak, and entered at some length, and with ability, into the merits of the question. As soon

as he had done, the question was put on the resolution and a division called for, when it appeared that there was a large majority of about two to one against the resolution.

There now arose a cry for an impartial chairman. . . .

They proceeded to depose Mr. Chairman Osgood, and did depose him by a formal vote; whereupon Colonel Samuel Mansfield was chosen chairman and Mr. Isaac Pierson secretary. . . . Hissings and hootings notwithstanding, the following resolutions were adopted by a very large majority of the citizens present:

Resolved, As the sense of this meeting, that they approve of the resolutions, together with the memorial adopted unanimously in favor of the Merchants' Bank, and respectfully submitted to the Hon. the Legislature, at the Tontine Coffee-house, on Tuesday evening, the 13th inst.

Whereas, A memorial has been presented to the Hon. the Legislature against the Merchants' Bank from a number of persons, amounting to about 140; and whereas, petitions from New York, Hudson, Albany, Lansingburgh, and Troy, signed by about 1,400 citizens of different political sentiments, have been presented in its favor; therefore,

Resolved, As the opinion of this meeting, that the propriety or impropriety of destroying the Merchants' Bank cannot and ought not to be considered as a party question.

SAMUEL MANSFIELD, *Chairman*.
ISAAC PIERSON, *Secretary*.

The *Citizen* of the same date publishes the following:

At a very numerous and respectable meeting of Merchants, Traders, and other citizens, held at the Union Hotel in William Street, on Thursday evening, the 15th of March, 1804, pursuant to public notice—Samuel Osgood, *Chairman*; Isaac Pierson, *Secretary*—On motion, Resolved, as the sense of this meeting, that the establishment of Banking Institutions and the power of emitting bills of credit exclusively belong to the legislative authority; and that an attempt to introduce the same without the consent of the Legislature is a dangerous innovation, repugnant to the principles of every well-regulated State.

Resolved, As the sense of this meeting, that the Merchants' Bank in the City of New York, having been established not only without the consent but contrary to the declared opinion of the Legis-

GUSTAV H. SCHWAB.
Elected Director 1888.

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lature, demands the marked disapprobation of our fellow-citizens; that the said establishment, being entirely self-created, is hostile to the security of property; and also that the same is wholly unnecessary and useless in a commercial point of view, inasmuch as the amount of discounts has not been increased thereby.

Resolved, That a respectful memorial be presented to the Legislature in behalf of the meeting, expressive of our sense of the injurious and mischievous tendency of the said institution; and that

Thomas Pearsall,	Charles Smith,	Charles Ludlow,
William Edgar,	John B. Church,	Joshua Waddington,
Thomas Buchanan,	John Stevens,	John Clendenning,
Isaac Clason,	Paschal N. Smith,	Peter Kemble,
Samuel Gouverneur,	Daniel Ludlow,	James Arden,
John R. Livingston,	Cornelius Ray,	Elis Nexsen, and
Herman Le Roy,	David M. Clarkson,	Thomas Arden,

be a committee to pursue all proper measures to carry the objects of this meeting into effect.

SAMUEL OSGOOD, *Chairman.*
WILL'M L. ROSE, *Secretary.*

"*Evening Post*," *March 15, 1804*— . . On the committee we observe the names of several directors of the Manhattan Bank.

March 17, 1804— NEW YORK, March 16, 1804.

Sir: Observing our names in your paper of this morning as part of a committee nominated by a meeting held at the Union Hotel in William Street last evening, upon the subject of the Merchants' Bank, we request you to inform the public that we were not at the meeting, or consulted as to our names being placed there.

We remain,

Your humble servants,

HERMAN LE ROY,	J. WADDINGTON,
CORNELIUS RAY,	CHARLES SMITH,
THOMAS BUCHANAN,	CHARLES LUDLOW,
DAVID M. CLARKSON,	PETER KEMBLE,

S. GOUVERNEUR.

To Mr. CHEETHAM,
Editor "American Citizen."

Cheetham declares that he gives place to the above with pleasure, affecting to consider it as a mere correction of an unimportant fact. . . .

Exchange Place, 1831, looking east.

"*Evening Post*," *March 17, 1804*.—Communication: Manhattan Bank.—It ought to be understood by the merchants of this city, and it merits their spirited censure and resistance, that a number of the directors of the Manhattan Bank have, and probably still do, conduct the affairs of their bank on the principle of personal hostility to those who have signed the petition in favor of the Merchants' Bank. It is said that the directors of the Manhattan Bank, or some of its members or officers, have procured from the city of Albany a list of the names of the petitioners in favor of the Merchants' Bank, and have this list alphabetically arranged for their use; and that notes offered for discount by persons who have signed those petitions have been, and probably continue to be, rejected, on the ground that the persons offering them, or some of the parties thereto, were petitioners in favor of the Merchants' Bank. To prevent mistake or prevarication on this subject, if any of the directors of the Manhattan Bank deem it expedient to answer this charge, it is particularly desired that they admit or deny whether they or their officers, or some of them, have not a list of the names of the petitioners in favor of the Merchants' Bank, or of any and what part of such petitioners? And whether such list has not been alphabetically arranged, and is not in the hands of some one of them, or their officers? And whether notes have not been objected to and refused to be discounted, on the ground that the persons offering

Looking east on Exchange Place, 1903.

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them, or some of the parties thereto, were petitioners in favor of the Merchants' Bank? These are plain questions, and admit of certain and direct answers; and silence on the part of the bank will be construed as it deserves.

The intemperate conduct of some of the directors of this bank has long been a subject of observation, but the tyranny now attempted has never been equalled. The despotism of banks, when successful, is always the most cruel and intolerable of any, and may easily be employed to effect the ruin of the individuals who are the objects of their resentment and happen to be in their power. This single remark, with the example, affords a decisive argument in favor of the establishment of such a number of banks as will create a competition between them, and make it their interest, as well as their duty, to treat our citizens with justice and impartiality.

A MERCHANT.

March 19, 1804.— . . . Now Isaac Clason has declared that if the Merchants' Bank is not destroyed, he and James Arden will turn Federalists. . . .

The Clintonians say that it was a daring act on the part of the friends of the Merchants' Bank to depose Mr. Osgood from the chair because he considered a great majority of the meeting as nobody. . .

Maturin Livingston, with the assurance of a Manhattan director, is said to have alleged before the committee of the House of Representatives that the memorial of the friends of the Merchants' Bank contained misstatements of facts. . . .

The "Citizen" this morning, in compliment to the taste of its patrons, deals in more vulgar scurrility than has adorned its columns for many months. Detected in Saturday's "Evening Post" in willful and material falsehoods, its editor hopes to justify his own disregard of truth by degrading others to a level with himself. . . .

March 20.—The insolence and meanness of a junto of Manhattan directors in attempting to destroy the credit of the friends of the Merchants' Bank is not to be endured. . . .

The friends of the Merchants' Bank have hitherto conducted the matter with proper spirit, tempered with prudence; let them remain an united, indissoluble band.

A MERCHANT.

COMMUNICATION

(Letters from Albany, 14th March, 1804.)

. . . It is now admitted that the question has assumed a political aspect. and it is intended to suppress the bank because a majority of the directors are Federalists.

LEGISLATURE OF NEW YORK, HOUSE OF ASSEMBLY.

March 14, 1804.

Mr. Rutgers, from the committee to whom was referred the petition of Oliver Wolcott and his associates of the city of New York, praying that they be incorporated under the style and description of the Merchants' Bank, and sundry other petitions to the same purport, and the memorial of Daniel Ludlow and others of the city, remonstrating against the incorporation of the said bank, and praying that a law may be passed restraining the said association from the transaction of business in future, and also to prohibit other associations of a similar nature from being formed hereafter without obtaining the previous sanction of the Legislature—reported as follows:

That they have maturely considered the subject matter of the several petitions and remonstrances, and are of opinion that it is inexpedient to incorporate the Merchants' Bank, inasmuch as the House of Assembly at the last session of the Legislature sanctioned an opinion that the banks then existing in the city of New York were commensurate to the commercial wants of the city, and your committee do not believe that any change of circumstances has since occurred to induce an alteration of that opinion.

Your committee are also of opinion that in order to prevent the mischievous consequences to be apprehended from too great a number of banks, and with a view that institutions of this kind should only exist in pursuance of legislative authority, a law ought to be passed, to take effect at some future period, restraining all associations from transacting the ordinary business of banking, such as discounting bills and notes, issuing notes, etc., unless authorized so to do by an act of the Legislature; agreeably to which they have prepared a bill, and have directed their chairman to ask for leave to bring in the same.

Ordered, That leave be given accordingly.

Mr. Rutgers, pursuant to leave, brought in the said bill, entitled,

"An Act to restrain unincorporated banking associations," which was read a first time and ordered to a second reading.

N. Y. "Evening Post," March 22, 1804.—Odious conduct of the Manhattan Co. The following is an extract of a letter received by the last mail:

"ALBANY, March 17, 1804.

"Maturin Livingston, as agent of the Manhattan Co., informed the committee of the Assembly that he was authorized, on behalf of the company, to make offers to the State as advantageous for the suppression of the Merchants' Bank as any which should or might be made on their part for a charter; and he actually offered to the State $500,000 of Manhattan stock to be added to the capital of that bank at par. He also told the committee that it was the intention of the company he represented to propose connections with a certain other bank, with a view of consolidating what he called the Republican moneyed interest. He went on to observe that it was owing to the Manhattan Company that Mr. Jefferson was now President of the United States, and that the Merchants' Bank was a Federal institution and ought to be crushed."

Charged that Merchants' Bank had offered $100,000 for a charter.

Maturin Livingston, son-in-law to Judge Lewis, one of the candidates for governor.

March 23.—We have within these few days been repeatedly assured that should the Legislature destroy the Merchants' Bank, it will be followed by the failure of at least one hundred persons now doing business in the city of New York." . . .

March 26.—Merchants' Bank.—Much has been said about the offer made by the agent at Albany for a charter. The following may be relied upon as a correct statement of the propositions actually made:

PROPOSITIONS MADE TO THE LEGISLATURE BY THE MERCHANTS' BANK

"The subscribers, a committee of the president and directors of the Merchants' Bank in the city of New York, respectfully submit to the honorable the committee of the house of Assembly to which were referred the petitions respecting the incorporation of the said bank:

"The present capital of the company consists of one million two hundred and fifty thousand dollars. The State to reserve the

Fraunce's Tavern in 1903.

right to become interested in so much of the additional stock as the Legislature shall judge expedient, upon terms which it is hoped will be deemed eligible, viz.: a credit to be given by the bank to the State for the whole amount of its shares in the stock at an interest of five per cent. per annum, and the State to receive its proportion of the dividends which shall from time to time be made, equally with the other proprietors.

"The reimbursement of the sum for which the credit may be required to be made in instalments, and at such periods as shall be agreed on and as will be best with the interest and convenience of the State. And as a further facility, if desired, the bank to receive from the State, in payment, any stock which it now possesses, either in the funds of the United States, or in the capital of the New York or other banks within this State, at the fair value upon which the committee stand ready to agree.

"Or, if the Legislature shall disincline to embrace the proposals above suggested, the committee, adverting to the practice which has always existed in the commercial nation of Great Britain, and which has been very recently sanctioned by our sister State of

Pennsylvania in the instance of an institution nearly similar in its origin and progress to the Merchants' Bank, offers, as a consideration for the privilege of a charter for twenty-one years, to pay into the treasury, for the use of the State, One Hundred Thousand Dollars in specie, or to invest the State in lieu thereof, at its election, with an equivalent number of shares in the increased capital stock of the said bank, estimated at par, being equal to two thousand shares.

"The committee begs leave respectfully to suggest that although the acceptance of either of the foregoing proposals will considerably diminish the profits of the stockholders, yet in proposing to the State a certain benefit, they are confident the commercial and general advantages to be derived from the institution will be promoted by an act of incorporation, and thus the real and true objects of the association will be essentially secured.

"To ensure, also, the faithful and impartial administration of the affairs of the said company and the confidence of the public at large, it is proposed that a provision be also made in the act of incorporation, that the Legislature shall appoint annually one-fourth of the whole number of directors, and that none but citizens of the United States be stockholders in the said bank.

"It would also correspond with the intention and wishes of the directors that the business of the institution shall be restricted to banking operations only."

In answer to this, Mr. Maturin Livingston, the agent of the Manhattan Company, for the express and avowed purpose of procuring the suppression and ruin of the Merchants' Bank, rose and observed:

"That the considerations which had hitherto imposed silence upon him were, by the offers of the gentleman last up, now removed. That he had wished and determined that the question respecting the Merchants' Bank should have been decided upon its own merits; but as the gentleman had brought to his assistance some extrinsic collateral aid, it was necessary that the committee should have a view of both sides of the subject; that it (the Manhattan Bank) had greatly contributed to the happy change which we had all felt and acknowledged; that if an increase in the banking capital in the city of New York was necessary, the Manhattan Company now solicited the patronage of the State, and by extending its capital it was willing that the State should be interested to

the amount of half a million of dollars par; that the difference between the par and the actual price of the stock would give a net profit to the State of about one hundred and fifty thousand dollars."

The above is given, verbatim, from the "Citizen" of Friday last; and as Mr. Livingston had then been in town several days, we are to presume that the statement was furnished by himself.

In this transaction the public will see, on the one hand, an innocent and fair institution offering a large and unusual consideration for the legislative and legal and vested rights; on the other, they will observe a company which had surreptitiously crept into existence as a bank, without any express authority for that purpose, offering as large a sum for the ruin of its neighbor. They will see, too, that unwarrantable party considerations are resorted to for the purpose of exciting a prejudice against a certain portion of their fellow-citizens, and destroying their property.

Infatuated men! did it not occur to them, when they were urging the superior claims of the Manhattan Company on the score of party, that if such considerations could have any weight this company was indebted for its existence to the exertions of Mr. Burr, the very man against whom they are now arrayed in open hostility? Blind and envious monopolists! do they suppose their conduct is not properly appreciated in this community? Even the worm will turn if trod upon; and men are not yet to be "crushed" in this country with impunity.

The members of the Legislature from the country cannot in general be acquainted with commercial operations and establishments. In forming their opinions they therefore with great propriety enquire what is the real and deliberate opinion of men of business in New York respecting the policy of suppressing the Merchants' Bank. At present the minds of the members are nearly divided, and this is not strange, considering the contradictory reports which they receive from this quarter.

There is good authority for the following account just received from Albany: At a meeting of members collected to hear the report of Mr. Osgood's meeting, Mr. W. Gilbert declared in substance, "That the last meeting was composed of many respectable characters, and that the resolutions signed by Mr. Osgood were clearly carried without any interruption save from a few minors, who had come to the meeting on purpose to interrupt and disturb it; that he was himself present and could declare what he asserted

DONALD MACKAY.
Elected Director 1890.

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to be true, from his own views of the transaction. He further asserted that not an eighth of the citizens were in favor of the Merchants' Bank."

We have here a statement of which hundreds of our citizens can testify that it is in every respect destitute of veracity.

The resolutions signed by Mr. Osgood were not carried at all; two-thirds of the citizens present were totally opposed to them, and in favor of those afterwards signed by Colonel Mansfield. The opposers were not minors, but men of credit and respectability as merchants and traders. It is not true that those in favor of the resolutions signed by Mr. Osgood were generally merchants and traders; except the Manhattan Junto, there were very few persons of this description who voted with Mr. Osgood.

Instead of one-eighth of the citizens only being in favor of the bank, it may be asserted that not one-eighth of the persons concerned in trade are opposed to it. Let any one of the Manhattan Company come out and discuss these questions if he dare.

Great Controversy

March 27.—By intelligence received from Albany, it appears that the question of the Merchants' Bank has been taken in the Assembly and carried by a majority of seven votes against the bank, notwithstanding a previous decision on Wednesday in favor of it.

The following extracts from the *Evening Post* and the *American Citizen* show the temper of the opposing bank interests during the final struggle for a charter in 1805:

"*Evening Post*," *Feb. 19, 1805.*—The "Citizen" has been writing a great deal and taking abundance of pains for the last three or four days to prove that the Merchants' Bank was an infernal machine, and originally designed to blow up the republican party in this city and State. Trying to persuade Legislature that this bank was instituted with a view to destroy republicanism.

The "Citizen" says: The fact is, we must either destroy the bank, or the bank will destroy the republican party. The "Evening Post" agrees with opinion of His Excellency, Governor Lewis, just previous to the last election. He declared that the suppression of the company would be a violation of private right. Afterward he said suppression was a favorite measure with his republican

friends, and the success of the republican party was paramount to all other considerations. In fact, the suppression law was carried by his individual vote in the Council of Revision.

Feb. 28, 1805.—Merchants' Bank stock rose 5 per cent. In consequence, Manhattan Bank have this morning set forth another petition to the Legislature. . . .

March 2, 1805.—The opposers of the Merchants' Bank are so much alarmed at the last news from Albany that they have sent off the most influential and respectable and courageous men, among them the Recorder, post haste some time ago, and the Mayor set out yesterday. The city is, therefore, left without the superintendence of its first two officers.

"American Citizen" says, regarding a memorial against the Merchants' Bank bearing 2,000 citizens' signatures: "Against the revival of such a pernicious and destructive establishment 5,000 could have been obtained. Let this be a sufficient answer to those who pretended that the sense of the public was in favor of the Merchants' Bank."

"*Evening Post*," *March 11, 1805.*—The "American Citizen" presents us with a memorial against the Merchants' Bank, purporting to be drawn up at Westchester, with letter to Senators and members of the Assembly to use influence to "counteract the machination and render impotent the baleful activity of this audacious association." I can't say whether any delegate has been sent by the Manhattan Company from New York to Westchester, for the purpose of procuring the intelligent inhabitants of that county to interfere in the banking concerns of this city, but the memorial and letter accompanying it certainly wear a very suspicious appearance.

The following is an extract from the memorial: "A greater number of banks, so far from affording additional accommodations to commerce, would diminish the amount which might otherwise be procured, because the discounts which are afforded must always be in proportion to the specie capital, and because the hostile spirit which rival institutions will ever cherish toward each other will necessarily occasion apprehension and alarm in all, and prevent them from extending the same assistance to trade which they would otherwise be enabled to afford."

"*Evening Post*," *March 18, 1805.*—Extract of letter from Albany, March 13.—The bill for incorporating the Merchants' Bank passed the Senate this day. The charter is limited to the year 1818.

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The State has the privilege of subscribing for three hundred shares, and is to receive one hundred as a gratuity. On the first clause of the bill the votes were 14 to 12. After going through it, on the final question, "Shall the bill pass?" there were 15 to 11. Great exertions were made after the first section of the bill had passed to substitute, by way of amendment, a clause to oblige the present stockholders to give up their shares and have new books opened by commissioners to be appointed to take subscriptions for the whole capital, but it would not go down.

"*Evening Post*," *March 22, 1805*.—The Legislature have been engaged nine hours on the Merchants' Bank bill in as hot a warfare as ever a Legislature was engaged in. The friends of the bank succeeded in having the committee increased to thirteen after the Speaker had been so partial on Saturday as to appoint a committee of five, consisting of persons on one side and opposed to it. Mr. Van Ness has done wonders. He has excited the admiration and applause of all. He gave no quarter to your alderman and orator, Few.

It is curious to find that two of the Judges of the Supreme Court, who were counted upon as being so much opposed to the Merchants' Bank, are determined to vote for it in the Council of Revision.

"*Citizen*," *March 23, 1805*.—That the bill will pass the Assembly is far from impossible. The villains who are themselves bribed or who have bribed others, sunk deep in the abyss of disgrace and infamy, will brave conclusive charges of corruption and defy their operative force. Let them do so. For security we must resort to the Council of Revision, and if not to this lettered branch of our Government, to the Supreme Court, and should we not even here be safe, we must appeal to the people.

Mr. Cheetham, in the *American Citizen*, had charged the Senate with corruption in the passage of this law, and the Senate, on motion of Mr. Van Vechten, instructed the Attorney-General to prosecute him for libel; subsequently the Attorney-General, Mr. Woodworth, in obedience to the resolution, caused the alleged libel to be submitted to the Grand Jury of New York City, but they refused to find a bill.

During the proceedings in the Legislature upon the bill in question, much acrimony among the members was incited. So

heated did Judge Taylor and Judge Purdy become, that the former committed a personal assault upon the latter by knocking him down as he was passing the Senate Chamber, and almost within the bar of the Senate. This struggle of the Merchants' Bank for a charter, amid the contention of opposing politicians and the animosities of rival institutions, marks an important epoch in the annals of the banking history of the first decade of this century. The Merchants' Bank won the fight, and three-quarters of a century later united with its old enemy, the Manhattan Bank, in erecting one of the finest banking buildings in the country.

CHAPTER V

FROM 1804 TO 1835—THE YEARLY MOVE TO GREENWICH VILLAGE ON ACCOUNT OF FEVER AND MALARIA—JOSHUA SANDS, THE SECOND PRESIDENT OF THE BANK—BUSINESS CONDITIONS IN THE FIRST DECADE OF THE CENTURY—FINANCIAL DEPRESSION OF 1818—SUSPENSION OF SPECIE PAYMENTS—LYNDE CATLIN ELECTED PRESIDENT—OPENING OF THE ERIE CANAL—BANK SALARIES OF 1830.

AMONG the first minutes of the bank is to be found the record of an extra meeting of the Board of Directors on August 20, 1803, when it was resolved that the Merchants' Bank be removed to Greenwich, owing to the prevalence of yellow fever, which was supposed to make the city unhealthful. Only three years before, in the summer of 1798, 1,524 persons had died of yellow fever, which disease first appeared in New York about 1791. Experts differed as to the cause of the many fevers and diseases which afflicted the city at the beginning of the century. Some thought that lack of drainage was at the bottom of the trouble. Malaria was very prevalent, due probably to the opening of many new streets and roads, and much building. The water used by the city, much of which came from what was known as the Collect, the pond near the present site of the Tombs, was probably not of the best. The Collect was filled up between 1800 and 1818, and the health of the city improved greatly, although the water supply was not adequate for its needs until the Croton Aqueduct was finished in 1842.

The bank at Greenwich was opened for business on August 24th, during the usual hours, namely, from ten to one and from three to five. The move back to the city was made the following November. So necessary was considered this yearly removal out of town that a few years later, in 1806, eight lots were obtained on Hudson Street, between Horatio and Jane Streets, and the sum of $8,000 expended in building a suitable

Broadway and Bowling Green in 1805.

banking house. The whole expense of the Greenwich investment for land and building amounted to $15,887. For many years the bank business was transferred almost every summer from Wall Street to Greenwich whenever there seemed to be danger of yellow fever or serious malaria. Under date of September 2, 1829, is the following minute of a protest addressed to the city authorities:

"The President and directors remonstrate against the opening and extending of 8th Avenue to Hudson Street. Uncalled for and unnecessary &c. It would be a great injury to their interests and property. They represent they are the owners of 8 lots on the west part of the block between Jane & Horatio Street, on which they have erected at a great expense a banking house as a place of retreat in cases of sickness in the city &c. That your remonstrants have at a considerable expense erected a wall which will be an entire loss &c. or be obliged to dig out and lower the remaining ground and thereby to destroy a grove of ancient fruit trees which are a great ornament to the property."

During the cholera epidemic of 1832 the banking house at Greenwich was rented to the city for a cholera hospital at $150 a month. The Greenwich property was held and occasionally

Broadway, looking north from Bowling Green, in 1903.

used by the bank until 1844, when it was sold at auction to A. P. Hamlin for $11,600.

In October, 1803, a letter was received from the president of the Philadelphia Bank, proposing the establishment of a mutual credit and a mutual redemption of notes, which proposition was accepted, it being agreed that the credit should be limited to a sum not exceeding $30,000. Later in the year the New York State Bank of Albany wrote to know upon what terms the notes of that bank would be received by the Merchants' Bank. The committee to which this proposition was referred recommended that New York State Bank's notes should be received to the amount of $50,000, without charging the institution any interest; and that there should be a mutual credit between the two banks, for a sum not exceeding $20,000, provided the New York State Bank should agree to keep their account with the Merchants'.

The year 1804 was largely given over by the Merchants' Bank to its struggle for a charter, an account of which is given elsewhere. From the minutes it seems that the expenses incurred amounted to $1,704, which ought to preclude any of the suggestions of bribery, so freely made at the time, unless our legislators of a hundred years ago held their favors cheaply.

Oliver Wolcott resigned his office in June, 1804, and was succeeded by Joshua Sands, who was elected president June 12. A resolution of thanks for his faithful services as president was passed by the Board and communicated to Mr. Wolcott by the president.

Joshua Sands, the second president of the Merchants' Bank, was born in 1757 at Cow Neck (subsequently called Sands Point), Queens County, Long Island, of which place his grandfather was an original settler. At the age of fifteen he commenced his business life as a clerk, but in 1776 was invited by Colonel Trumbull, of Connecticut, to accept a position in the Commissariat Department of the American Army, with the rank of captain. He contributed very material aid in facilitating the retreat of the American Army from Long Island, after the battle of August 26, 1776. In 1777 he, together with his brothers, Richardson and Comfort Sands, tendered proposals for the supply of clothing and provisions to the Northern army. These were accepted by Robert Morris, and were faithfully carried out on their part; but the scarcity of means at the command of the Treasury Department not allowing of the fulfilment of the contract on the part of the Government, they became great sufferers, although afterward partially reimbursed by a special Act of Congress. At the close of the war Joshua became a partner with his brother Comfort in mercantile pursuits, and in 1784 they were purchasers from the Commissioners of Forfeiture of the Rapalje estate on Long Island, comprising about 160 acres. It is said that they paid for this land in soldiers' pay certificates, which they had bought up in large quantities, at a rate of discount which made the opera-

Joshua Sands.

tion a very good speculation for them. Old Mrs. Rapalje, the mother of John Rapalje, by virtue of some right in the property, refused to give possession, which necessitated the official interference of the sheriff, who put the old lady out into the street in her arm-chair. In 1786 Joshua Sands removed his residence to Brooklyn, and built for himself, on his new purchase, a handsome frame mansion about fifty feet square, and furnished it with remarkable elegance, for that day. This house, situated on the north side of Front Street, about 100 feet east of Dock Street (his coach-house and stables being on the opposite side of Front Street), was the largest in the village at the time, and was surrounded by a fine garden, which extended to the river. It subsequently came into the possession of John B. Cazeaux, who, in 1824, converted it into two dwellings, one remaining as No. 25 Front Street.

About this time, also, Mr. Sands made another addition to the material interests of the town of Brooklyn. Conceiving

the idea of manufacturing the cordage and rigging for his own vessels, he imported both machinery and workmen from England, and established here extensive rope-walks, the beginning of a new and important branch of industry. Mr. Sands was one of the original Board of Trustees of "The Episcopal Church of Brooklyn," incorporated in 1787. This church was reorganized and incorporated June 22, 1795, by the name of St. Ann's Church, a title which it is said to have "tacitly received some years before," in compliment to Mrs. Ann Sands, who, with her husband, Mr. Joshua Sands, had been its most liberal donor. In 1798 a new stone church was built on the ground given by Mr. and Mrs. Joshua Sands, at the corner of Sands and Washington Streets. In 1825 a new church building was erected and consecrated, and in 1869 the church removed to the corner of Clinton and Livingston Streets, a new edifice being built at a cost of about $300,000. This church was consecrated in 1879, the sittings being made perpetually free by the condition which Mr. R. Fulton Cutting imposed when, in 1878, he donated $70,000 to complete the extinction of the church debt. Joshua Sands was a trustee of Brooklyn village from 1792 to 1795, and was elected president of the village of Brooklyn in 1824. He was appointed Collector of Customs of the Port of New York on April 26, 1797, serving in that capacity to July 9, 1801, when he was removed by President Jefferson. He was also a member of the Council of Apportionment for the State of New York in 1796, and a State Senator from 1792 to 1797. He represented the Third District in the Eighth Congress, 1803 to 1805, and the Second District in the Nineteenth Congress, from 1825 to 1827. Mr. Sands was also one of the original Board of Directors of the Brooklyn Savings Bank, chartered in 1827, which was the first bank for savings in the city of Brooklyn. He died in 1835, at the age of seventy-eight years.

The year 1805 was also filled with business concerning the charter, Peter Jay Munro and John Hone being specially active in their work for the bank. When the charter had been won,

CHARLES DENSTON DICKEY.

Elected Director 1892.

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Abraham G. Lansing, Treasurer of the State of New York, took his seat at the Board in behalf of the State, as directed by the Act of Incorporation, and made a subscription for 1,000 shares without expense to the State. The stockholders were assessed $2 upon each share for the payment of this amount.

In June, 1805, the Newark Banking and Insurance Co. opened an account with the Merchants' Bank.

The next few years the business of the Merchants' Bank ran on very smoothly, the minutes offering nothing of note except the record of a prosperous business. There was a steady increase in the salaries, and a surplus had begun to roll up, notwithstanding occasional losses due to over-confidence in the honesty of the minor employees of the bank. About 1809 the coming power of steam began to be felt in the business world of New York and the East. There was then but one steamboat in the world, and that belonged in New York and floated on the Hudson. The whole tonnage of the United States was then less than a million. The largest merchantmen known to our commerce at the beginning of the century did not exceed 500 tons except in a very few instances. The extreme north limit of the city was the open ditch in Canal Street. Beyond that were country houses, tea gardens, orchards and cornfields; there were no omnibuses and no sidewalks except along Broadway from the Battery up to Duane Street. Fires were frequent and difficult to extinguish owing to the many wooden buildings and the lack of a good water supply. The tolling of the bells was the signal for every good citizen to turn out with his regulation leather bucket in hand; he fell in line and handed the bucket on from the cistern or pump to the fire. At every important corner there was a pump, which sometimes was placed in the middle of the street, to the great embarrassment of the militia tactics on holidays and parade days in manœuvring around and about them so as to preserve the line. The Croton was then renowned only for its striped bass. Citizens were at work early, most merchants opening their counting-rooms at eight o'clock and going home for dinner at one.

Wall Street, looking west, showing the Custom House.

Wall Street, as the old pictures show, possessed fine residences between Broadway and Pearl Street. The wholesale and retail dry-goods shops were in William Street, where on any bright day might be seen the great-great-grandmothers of our present shoppers. Most of the other streets were narrow and winding and lined with small red-brick houses with tiled roofs. On the west side the streets were wider and straighter, thanks to the great fire of 1776, and there were some brick sidewalks and gutters. The houses were numbered upon most of the streets after 1793. At Astor Place Broadway ceased, its line being crossed by the wall of the Randall farm, which was taken down only in 1806.

New York may be called the cradle of steam navigation, for here the first experiments that promised practical results were made. In 1807 the Clermont was built from the designs of Robert Fulton, the Chancellor, Robert R. Livingston, furnishing the money. Notwithstanding all the ridicule and predictions of failure, she made a triumphant run from New York to Albany in thirty-two hours. As it took the ordinary sailing packets from four to six days to run between the two cities, steam navigation on the Hudson followed as a necessity, espe-

Wall Street, looking west, 1903.

cially after 1817, when the time was reduced to eighteen hours. The navigation of Long Island Sound by steamboat was begun in 1818, when a line was opened between New York and New Haven, followed by another to New London, and in 1822 by the New York and Providence Line. In 1807 Colonel John Stevens of Hoboken built the Phœnix, the first steam-vessel to venture upon the ocean. The first steam ferry, that between Hoboken and New York, was also due to Mr. Stevens, who put a boat upon this line in 1811. Within five years afterward there were a dozen ferryboats plying between New York and Jersey City, Brooklyn and Hoboken.

About 1810 the city began to grow rapidly. The Brevoort estate, between Broadway and the Bowery Road at Eleventh Street; Henry Spingler's farm, between Fourteenth and Sixteenth Streets, west of the Bowery; Nicholas Bayard's farm, covering 100 acres between Broadway and Macdougal Street;

the Bayard-Hill estate, between Broadway and the Bowery and Broome Street, and many other farms were invaded by the city commissioners. When Trinity Church erected St. John's Chapel in Varick Street in 1807 the neighborhood was regarded as quite beyond the limits of civilization, and the parish received much blame for planting its new mission opposite a swamp tenanted by water-snakes and frogs. About the same time the Lutheran Society, getting into trouble, a friend offered to give it four acres of land at the corner of Broadway and Canal Street. The gift was declined by the church upon the ground that the land was not worth the cost of fencing, which was doubtless true at the time. The Collect, already mentioned as a possible cause of ill-health, was a broad and placid pond near where the Tombs prison was afterward built. It was a favorite spot for skaters in winter and boating parties in summer. It had been proposed to make a public park of this beautiful pond, but the scheme came to nothing, as the city fathers of 1789, before whom the proposition came, decided that the money would be wasted, inasmuch as the city would never grow to within easy access of that lonely region. In 1809, however, the city had already grown so far to the north that the pond was found to be an obstacle, and was, moreover, suspected as a cause of ill-health and malaria. So in 1810 it was filled up at much expense.

After the War of 1812 the famous packet lines began their service, the Black Ball in 1816 and the Red Star in 1821, running weekly boats between New York and Liverpool, and making the trip across in from fifteen to twenty-three days. Depau put four ships on the Havre Packet Service in 1822, and Grinnell, Minturn & Co. began to send monthly packets to London in 1823. About 1840 Low, Griswold & Aspinwall began sending clipper ships to China and California, their vessels performing the most wonderful feats—as when the Flying Cloud, from New York to San Francisco, made 433 statute miles in a single day; or the Sovereign of the Seas sailed for 10,000 miles without tacking or wearing; or the Dreadnaught

made the passage from Sandy Hook to Queenstown in nine days and seventeen hours.

In 1808 Joshua Sands resigned the presidency, and was succeeded, June 14, 1808, by Richard Varick. Mr. Lynde Catlin was still cashier, and that his services met with appreciation is evident from the following note, dated May 4, 1814:

"The Directors having a high opinion of the talents and obligation of Lynde Catlin, Esq., Cashier, resolved that $1,250 per annum be added to his salary."

The paternal interest taken by the officers and directors of the bank in their employees is reflected in the following minute, dated December 21, 1803: "The committee appointed by the Board report that they have attended at the bank on Monday, the 19th inst., and inquired into the matter committed to them, and they find that the first deficiency of importance in the moneys placed in the hands of Mr. Stymets, the first Teller, happened on the 2d day of July last, on which day he officiated in the stead of Mr. Sands, second Teller; and in the close of that day's business a loss of $100 was supposed to have been incurred in the amount of moneys received by him; but that it was afterward discovered that a bag of small change contained an excess of ninety-five dollars, which sum the committee supposed to be a part of the said $100. That the second deficiency consisted of $1,000 on the 30th day of July last, on which day Mr. Stymets acted as first Teller only a part of the day, and was permitted to go to New Jersey, and the Cashier took charge of his duties during the remainder of the day without having counted the moneys committed to him by Mr. Stymets. The committee further report that they are advised by the Cashier that Mr. Stymets has at all times discovered great integrity in, and attention to, the duties of his office, and very great concern on account of the errors in his receipts and payments; and that he has good talents, and has also much improved in his qualifications for the office he holds. Upon this statement of facts, although Mr. Stymets may legally be responsible to the Company for all the deficiencies incurred in

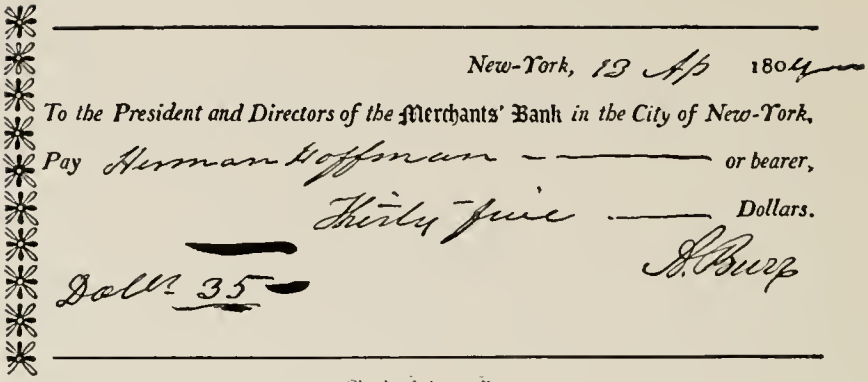
his department, the committee are of opinion that it will not be just or proper to exact from Mr. Stymets or his sureties the said sum of $1,000, inasmuch as the Cashier had incautiously undertaken to execute the duties of his office without having counted the moneys received by him from Mr. Stymets, and it cannot be discovered in whose transactions the deficiency took place."

In December, 1816, Colonel Varick tendered his resignation as president, but was induced to withdraw it. Mr. Catlin also wanted to resign as cashier in order to accept a similar position in the office of the Branch Bank founded by John Jacob Astor. Mr. Catlin's salary had risen in the meantime from $2,500 to $3,500, and he was allowed the use of the upper rooms of the banking-house as a residence. The Branch Bank, however, offered him a much larger salary and he was allowed to go, receiving the thanks of the Merchants' Bank for his faithful services during fourteen years.

With the opening of the year 1818 the hard times, which twelve months before were felt by the manufacturers and traders, began to be felt by the people. They, too, had engaged deeply in speculation and, carried away by the flush times of 1815, had anticipated the growth of the country by many years. Sure that the distressed state of Europe would for years to come afford a ready market for American products, they had hurried to get into debt, and were now about to gather the fruits of their folly. Farms yet uncleared had been mortgaged, crops yet unsown had been pledged, and the money squandered on foreign goods now contemptuously described as gewgaws and trappings of luxury. That money could so easily be borrowed on such doubtful security was due to the vast number of chartered banks, wildcat banks, and corporations which, from one end of the country to the other, were struggling to put their notes into circulation. The inducements which they offered were too tempting to be withstood. The people yielded, and the enormous profits which flowed into the strong-boxes of the owners of the banks served but to incite

still others to seek for charters. The disorder of the currency, which was the chief cause for the establishment of the Bank of the United States in 1816, taught no lesson. In the very face of it State after State set up new banks, till in 1818 392 were doing business in 23 States and Territories. Pennsylvania and Kentucky led with 59 each, which were just 17 more than were scattered over the rich and populous State of New York. Yet, rich and prosperous as she was, the facilities which banks offered to borrowers and the shameful methods to which they resorted to keep their notes in circulation brought on such wide-spread distress that Governor Clinton, in his annual message, called loudly for legislation. Great numbers of them had been incorporated at places where there was neither commerce, trade, nor manufactures. As the patrons of such banks were few in number, and their deposits small, profits depended chiefly on the currency of notes, which were put into circulation by liberal discounts, by loans to the farmers on easy terms, and by agents who went about exchanging bills for those of rival institutions passing current in the neighborhood. So long as the rivals did not strike back all went well. But when at length banks whose notes it had driven out of circulation began in turn to gather bills and present them for redemption, nothing was left but to call in the loans and exact partial, or it might be full, payment of the debts. Then the community, reduced to desperation, would cry out for a new bank, which, if chartered, would in the end only increase the rivalry, the loss of commercial confidence, and the public distress.

To these mischievous institutions the Governor traced the banishment of metallic money, and deceitful show of fictitious capital, the increase of crime, the multiplication of civil prosecutions and rise of prices, and the dangerous extension of credit which must end in general bankruptcy. His charges were indeed serious. But the committee to whom they were referred substantiated them in every respect. The State banking system, as then carried on, was declared by the committee to be one of the great evils of the day. Not only did the banks by


New-York, 12 Ap 1804

To the President and Directors of the Merchants' Bank in the City of New-York,

Pay Herman Hoffman ——— or bearer,

Thirty five ——— Dollars.

A. Burr

Doll^rs 35

Check of Aaron Burr.

their rivalry hinder the transmission of money from one part of the State to another; not only did they, by engrossing the whole circulation in their neighborhood, impede internal commerce, but they enabled the unprincipled speculator to so steep the industrious, honest, and unsuspecting part of the community in debt by means of borrowed notes and indorsements as to secure its property at sheriff's sale. More banks were proposed. Each of the twenty-five Congressional districts was to be a banking district. They were to be the people's banks. And that the farmers and mechanics might have a chance to subscribe and enjoy some of the riches about to be scattered broadcast, great care was taken to keep the stock out of the hands of capitalists. Nobody, therefore, could subscribe for more than one share on the day the subscription books were opened, nor for more than two shares on the second day, nor for more than three shares on the third day; and so on to the sixth day, when for the first time the subscriber could buy all the stock he wanted. One per cent. on the amount of stock sold was to be paid each year to the State, a sum which, as the capital of the twenty-five banks was to be $9,525,000, was far from trifling.

Unhappily for the scheme, the Governor vetoed the bill and gave nine good reasons. The people now grew more determined than ever; and when the Legislature met again, it laid on the table of the Governor a bill establishing forty-one new banks in twenty-seven districts. Once more he vetoed the

bill, but this time it was passed over his veto, and thirty-seven of them had gone into business in 1814.

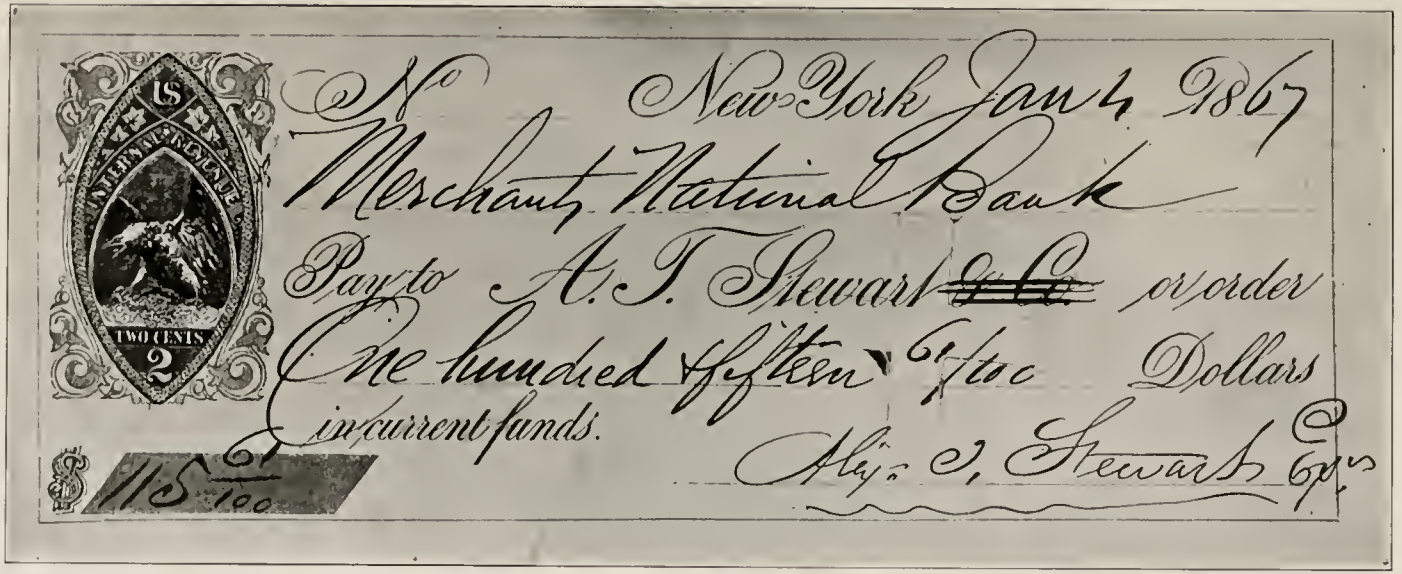
In New York the struggle was still more exciting. There, when it was known that the Bank of the United States was not to be rechartered, some capitalists bought out foreign and such resident holders of the stock as would sell, and in 1812 had applied to the Legislature for a charter. The name of the new institution was to be the Bank of America, the capital was to be $6,000,000, and no foreign shareholder was to vote. As it had now become the custom to buy charters, a more liberal and tempting offer was made. For a thirty years' grant the bank would pay $400,000, in four annual and equal payments. If during the ten years no rivals were chartered to do business in New York City, another $100,000 would be paid the State at the end of that period; and yet another $100,000 if at the end of twenty more years no other bank had been established in the city. One million was offered to the State at five per cent., to be used in building the Erie Canal, and another million at six per cent., to be loaned by the State to the farmers on landed security. In the Assembly the measure found many warm and honest friends; it was passed after a vigorous struggle, and was about to be voted on by the Senate when the Governor, to the amazement of the whole community, prorogued the Legislature for fifty-five days. Many reasons for the act were given, but the chief one was that from the journals of both houses it appeared that attempts had been made to bribe four Assemblymen and one Senator to vote for the bill. "Far be it from me," said the Governor, "to assert that the charges are true. Yet before the bill passes it would be well to examine and refute them." Thinking that the honor and morals of the State required it, and wishing to give time for reflection, he felt it to be his duty to send the members home for a few weeks.

No good came of the dismissal, for the moment the Senators were back in their seats the bank bill was passed and sent to the Council of Revision. The Council of Revision was a body made up of the Governor, the Chancellor, and the Judges

of the Supreme Court of the State, and possessed that veto power which in many other States was given to the Governor. To it went every bill passed by the Legislature. If, in the opinion of a majority of the Council, the bill was an improper one, it was vetoed, and returned to the House in which it originated. If it was approved, or for any reason failed to be considered within ten days, it became law. When the six-million bank bill reached the council the Chancellor was absent, and the six remaining members were equally divided. What should be its fate rested, therefore, with the Chancellor, who, to the joy of the bank men, hastened back to Albany and cast his vote in their favor.

Some years before in Massachusetts, the bank question had been brought up by the approach of October 1, 1812, when the charters of sixteen of the existing banks would expire. For a time the idea of replacing them by one great institution, with capital enough and branches enough to transact the banking business of the whole State, was a favorite one. But the closing of the Bank of the United States brought on the mania for local banks, and in 1822 twenty were founded and located in eighteen towns. New Jersey established six, and, by way of bonus, the State reserved the right to subscribe to half the capital stock, and to appoint the president and six of the directors of each. But the law was hardly a year old when the Federalists secured control of the Legislature, and, determined that the benefits of the banks should not be enjoyed by the Democrats alone, they passed a law for the sale of the stock owned by the State. Delaware chartered three banks. Ohio did the same. In Virginia an attempt to add $1,500,000 to the capital of one of the two banks was defeated.

Thus in the course of two years did the craze spread over the seaboard States, and raise the number of banks from eighty-eight to 208. As each possessed the right of issuing bills, and issued them to at least three times the amount of its capital, the country entered once more upon an era of paper money. Had they been able to obtain enough specie to redeem even a small


U.S.
INTERNAL REVENUE
TWO CENTS
2
No
New York Jan 4 1867
Merchants National Bank
Pay to A. T. Stewart & Co or order
One hundred & fifteen 61/100 Dollars
in current funds.
$115 61/100
Alex. T. Stewart & Co's

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proportion of their paper, all would have gone well. But, unfortunately for them, much of the specie on which their circulation depended was at that moment in New England. For this the long embargo, the days of non-importation, and the war were chiefly responsible. Under the restrictive system, which began in 1807, and had not yet ended, manufactures were growing. Greatly against their will, the people of New England had turned their attention to spinning and weaving, and, favored by the exclusion of English competitors, were supplying the domestic market with many articles. As early as 1811 the effect of this was apparent in the slow and steady flow of specie from the South and West to New England; a movement which, with the opening of the war and rigorous blockade of the coast south of Newport became more marked and rapid. The only outlet for the cotton, rice, tar, pitch, and hemp of the South, and the tobacco and the flour of Virginia, was through Massachusetts, whose ports were still open to neutrals, and to the enemy disguised as neutrals. Into them came the hardware and the crockery of England, the wines and spices of the West Indies, which, with the boots and shoes, the cloth, the woollens, and the cotton cards made in New England were carried by wagon to Richmond and Augusta, to be distributed over the South and West. So enormous did this trade become, that, during 1813, employment was given to more than 4,000 four-horse wagons. As the needs of the South forced it to buy of the East more largely than the opportunities of the East enabled it to buy of the South, the bales of cotton and teams brought North did not begin to settle the balance, which had, in consequence, to be paid in specie. Bad as this was, it became much worse when Congress, in December, 1813, laid an embargo and stopped the trade of New England with the enemy and with neutrals. The South had then no market for its produce, and its banks were quickly stripped of every available dollar of specie.

In effecting this settlement the banks of Boston called on those of New York, which called on those of Philadelphia and

Baltimore, which in their turn called on the banks yet further South. So great was the drain that, in spite of sums used to pay for British bills of exchange, in spite of sums smuggled out of the country to be sold at a high premium to the enemy, the specie in the Boston banks swelled from less than eight hundred thousand dollars in 1812 to more than seven million dollars in 1814.

That this state of affairs had brought the banks of the Middle and Southern States to a desperate condition was made apparent by several incidents: By the attempt in Congress to charter another national bank with $30,000,000 as capital; by the refusal of the banks of Philadelphia to any longer receive, as deposits, the notes of Southern and Western banks; and by the seizure in New York of specie on its way to Boston. Early in the year a petition from well-known men in New York City had been laid before the House. The petitioners prayed for the incorporation of a national bank with $30,000,000 of capital, and offered in return to loan the Government half that sum; they reminded Congress that the whole circulating medium of the United States had been seized on by the State banks, which, in lieu thereof, circulated their own paper to the amount of $50,000,000, to the exclusive benefit of their stockholders, and they hinted that much political good would come from having moneyed men concerned in a bank whose existence depended on the stability of Government.

The petition went to the Committee of Ways and Means, which reported that power to charter a bank within the limits of the States, without consent of the States, was not granted by the Constitution. Regarding this as of small moment, so far as the practical workings of a bank were concerned, Calhoun moved that the Committee of Ways and Means be instructed to inquire into the expediency of establishing a national bank in the District of Columbia. To this the House gladly agreed, and in due time a bill to incorporate a national bank in the District of Columbia was read twice and committed. There it remained, and no more was heard of the matter till, in the clos-

ing days of the session, Felix Grundy, of Tennessee, asked for a special committee to inquire into the expediency of founding a bank. This was granted. But, just before the House rose, the committee was discharged, and consideration of the old bill, which for weeks past had been lying on the Speaker's table, was postponed indefinitely.

The seizure of specie in New York was a most high-handed act. In the regular course of business several of the Boston banks had received from their depositors bills of New York banks amounting, in round numbers, to $139,000. As was usual in such cases, a messenger was sent with the bills to New York, to receive payment and send the specie to Boston by land. On presenting them he found not the slightest difficulty in having them cashed, and loading the silver on three wagons he set off for home. At Chester, however, some fourteen miles from New York, he was stopped by order of the Collector of Customs, and the silver seized and brought back to the city; for the embargo was in force, and collectors of the ports were empowered to stop and seize any wagon loaded with specie, when on its way toward the territory of any foreign power, or the vicinity thereof, or when going toward a place where specie was usually exported.

That this provision was never intended to apply to such shipments of specie is certain, for, had it been so intended, the Government would not have been able to move its own money from bank to bank, or city to city, in order to pay its debts and the interests of its stocks and loans. The purpose of the seizure was to keep the specie in New York, for the Collector was a director in one of the banks there from which the money had been taken, and was also a director in another bank in which the silver, after seizure, was deposited.

Nothing but a crisis, or the first symptom of public discredit, was now needed to send every bank from New York to Savannah into bankruptcy. Both these things came to pass toward the close of August, 1814, when the British, landing on the shores of Chesapeake Bay, marched to Washington, burned

Broadway at Cortlandt Street, looking south in 1840, showing Trinity Church.

the public buildings, cut off communication with the South, and attacked the city of Baltimore. That depositors, in such a time of excitement, would hasten to withdraw their money, and that people having bank-notes would be eager to exchange them for specie, was no more than to be expected. The banks along the seaboard south of Baltimore, gathering what little coin they still had, packed it in boxes, carried it far into the interior, buried it, ceased to redeem their notes, and forced those in Baltimore to do the same. Those in Philadelphia held out a few days longer. The run began, and on the 28th of August the presidents of six of the city banks ordered specie payment to be suspended, and gave the public the reasons.

"From the moment," said they, in their circular, "the rigorous blockade of the ports stopped the exportation of our products, foreign goods had to be paid for with coin. As the importation of foreign goods and wares into New England has been very great, there is a heavy drain on the banks—a drain swelled yet more by a trade in British Government bills of exchange which has taken great sums out of the country. To meet this demand, the course of trade has enabled us heretofore

Broadway, looking south from Cortlandt Street, in 1903.

to draw from the South. But the unhappy state of affairs there cut off that source of supply, and the question arose, Shall we continue to gather all the specie of the country into our vaults in order that it may be sent out of the country, or suspend and save the coin? Believing that the public interest is best served by taking the latter course, we have unanimously agreed to suspend, and appeal to our fellow-citizens to support us."

The appeal was not in vain. The authorities of both political parties pleaded vigorously in its behalf; our merchants, who were deeply indebted to the banks, assembled at the Coffee-house, and agreed to take the bills of the institutions suspending payment; the committee of defence publicly indorsed the action as a wise measure of precaution, and the people quietly submitted.

At New York, while the British were burning Washington, committees from the eight banks met and passed a set of reso-

lutions declaring that no reason existed for suspending payment in specie, and that they would make every effort and suffer any sacrifice necessary to prevent such a catastrophe. But when the news came from Baltimore matters wore a very different aspect, and believing that a necessity did exist, they suspended, and assured the people that, till specie was again in circulation, they would not increase the amount of their notes then outstanding, and would take one another's notes in all payments. On hearing this, the merchants and traders met at the Tontine Coffee-house, and unanimously resolved to avoid all negotiation requiring specie payment, to take the notes of the banks as freely in the future as they had in the past, and to do their utmost to maintain bank credit. The city, in its corporate capacity, agreed to issue bills of a penny and upward to replace the small silver and the cents. When these things became known at Albany the banks of that city suspended, and in a few days not one in any of the seaboard States, from New York to Georgia, was making specie payments.

The chief sufferer from this state of things was the Government. Millions of its revenue were at that moment deposited with the Southern banks. But the suspension having prevented the movement of a dollar to the frontier, where the troops, the army contractors, the thousand and one creditors were to be paid, the Treasury was practically bankrupt. In a little while numbers of acceptances for large amounts were protested. More than once the paymaster of the army was unable to meet demands for sums so trifling as $30. The War Department was in such distress that the Secretary of the Treasury was forced to ask a bank at Georgetown to pay a debt of $3,500.

At some places along the frontier, when the terms of service of the troops expired, they were paid in certificates. On attempting to sell these bits of paper for one-half the face value, the soldiers could not find a man who would take them, and were forced to beg their way home. At Plattsburg, where some New York militia were discharged, not even certificates were to be had, and they, too, went about begging food and

money from the citizens. When, on December 1st, certain Treasury notes fell due at Philadelphia and were presented for payment, the Loan Commissioner offered new stock of the United States or bills of Southern banks. As no specie of any denomination was to be had, the Secretary was now forced to take another step and order the collectors of revenue not to receive Treasury notes in payment of taxes or dues when the amount of the note was greater than the sum due. Thus, if the debt were $19.99, the Collector must not accept a twenty-dollar Treasury note. This order was construed with great strictness, and when some New Bedford liquor-dealers applied to the Collector for licenses, and offered a note greater in value than the sum total of all their respective dues, it was refused. Thereupon the dealers declared they would go on without licenses, and told the Collector to go to law if he dared. At New York three men, whose combined taxes footed up $21.51, offered a twenty-dollar Treasury note and the rest in specie, but this, too, was rejected, because, while the bill was less than the amount due from the three, it was greater than the amount due from any one.

Unable to get a dollar in specie or move a cent from one side to another, the Secretary of the Treasury, toward the close of the year, addressed a circular to the public creditors at Boston, in which he openly admitted that the Treasury was empty. "The suspension of specie payments," said he, "by the greater part of the banks in the United States, and among them those in which the Government's money lies, makes it no longer possible to apply money collected in one part of the country to the payment of debts incurred in another. The public creditors, therefore, must be content to receive Treasury notes in lieu of specie, or wait patiently till such time as the Secretary has specie with which to pay them." Some took Treasury notes, but they were few in number; and when the first day of 1815 arrived the Treasury had defaulted in the payment of dividends on the funded debt due in Boston, had defaulted in the payment of $2,800,000 of Treasury notes due in many

places, and had failed to take up two temporary loans of $250,000 each made by the State Bank of Boston.

Up to this time the Western banks had escaped the financial trouble which beset those in the East, for they had small dealings with them. But when a Spanish joe brought nine per cent., and an American dollar six per cent. premium in any seaboard city, it may well be supposed that great efforts were made to bring over the mountains what little specie the Mississippi Valley contained. So serious were these efforts that, early in the new year, the Miami Exporting Company, the Farmers' and Merchants' Bank, and the Bank of Cincinnati, all doing business in Ohio, were forced to suspend specie payments. The high price of specie in the East, the presidents stated in their circular, had directed the attention of "moneyed emissaries" to the West, and the refusal of the Ohio banks to pay gold or silver was a measure of self-protection.

Locking up the coin by the banks bore heavily not only on the Treasury Department and the public creditors, but on the great body of people as well. It stripped the country of small change; not a sixpence, not a shilling, not a pistareen, was anywhere to be seen in the region of the suspending banks. As no financial institution could, at that time, legally issue bills of a lower denomination than one dollar, the place of the silver pieces had to be supplied by an illegal issue of small paper bills. The cities, in their corporate capacity, printed thousands of dollars' worth of cent, two-cent, and six-cent notes, which their treasuries sold in sums of five and ten dollars to such as needed change, with the assurance that they would at any moment be redeemed in bank bills, and would be taken in payment of taxes. Thus the city of New York in a few months put out in this manner $190,000, of which $150,000 were in constant circulation. The banks did likewise; but, as they could not legally issue in their own name, they generally appointed some honest man to sign the bills for them.

Merchants, tradesmen, manufacturers, stage-owners, tavern-keepers, ferrymen, and unchartered banks followed, and before

GEORGE SHERMAN.
Elected Director 1894.

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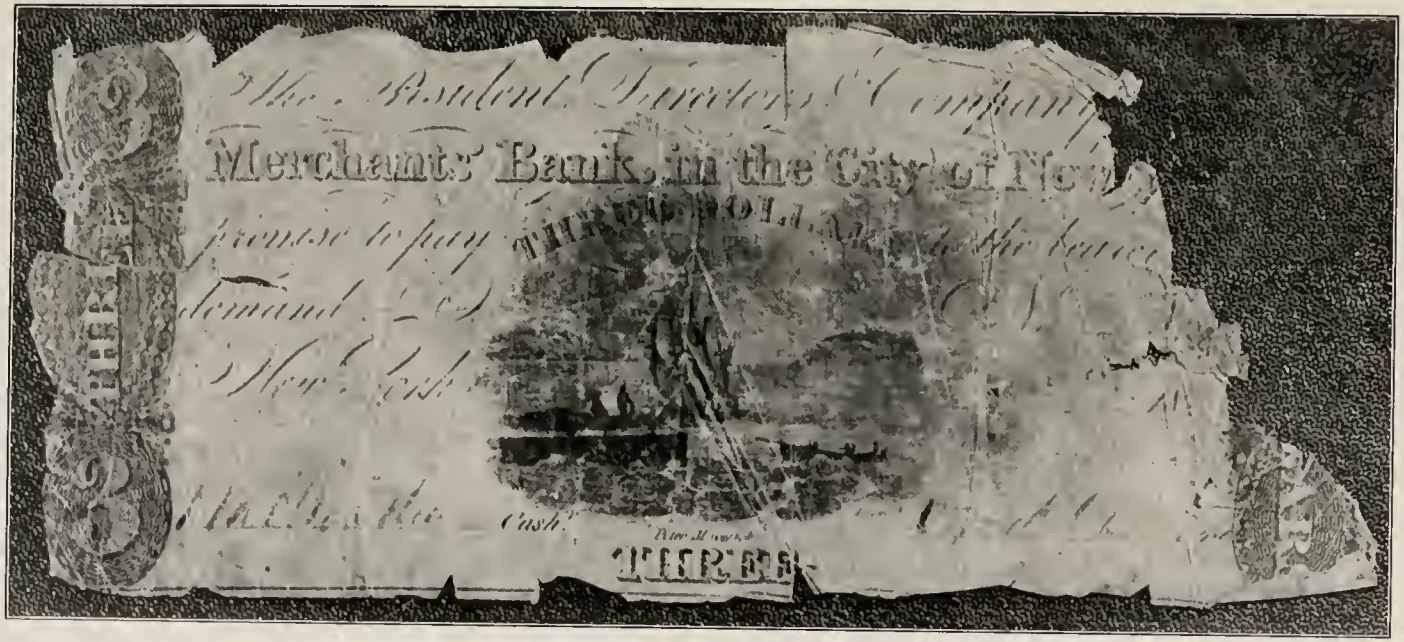
spring came the whole seaboard south of New England was flooded with paper money of the worst description.

When peace returned, when the ports were opened in March, and a brisk trade began with foreign nations and along the coast, the evils of this kind of currency were felt most severely. The prices of all commodities instantly declined, and among them that of specie, which fell in a few days from a premium of fourteen to a premium of three per cent. Everybody was sure that coin payments would at once be resumed. But the fond hopes of the public were not realized. The revival of commerce increased tenfold the demands for money; the banks gladly made the loans, and, as they could not possibly redeem their paper in specie, gave up all idea of attempting to do so. This unexpected, wilful, and unnecessary perseverance in the non-paying system first astonished and then angered the people, and in time aroused the legislatures to take measures of force. In New York a bill was promptly brought into the Assembly laying a tax of fourteen per cent. per annum on all bank-notes not redeemable in coin after January 1, 1816, and so alarmed the banks that the general committee of those in New York City met in haste, resolved that debtor banks should reduce their loans till the balance due the creditor banks was paid, and that the banks of New York City should pledge themselves to the public and to each other to spare no pains or cost to hasten the resumption of specie payments. These resolutions, sent post-haste to Albany, were read to the Assembly, and stopped all further action on the bill. But they were a mere blind, and, relieved of the danger of legislative interference, the banks went on in their old way and made no reductions or attempt to return to a specie basis. On noticing this, the banks in Connecticut met in convention at Middletown in July, addressed those in New York on the subject, and asked them to redeem their loans at the rate of two per cent. a month till specie payment was resumed. The answer was that, in the opinion of the committee, "the banks in this city are alone competent to decide upon the rate of reduction,

and it is therefore unanimously resolved that it is inexpedient to make any specific pledge on the subject of a reduction of loans."

Not till 1825 did New York recover the depression of the embargo period and the war of 1812–15. In the decade from 1796 to 1806, the most prosperous years, nearly one-quarter of the total exports of the United States were from this port. The exports of 1806 were not again equalled in amount until 1825. In 1827, 1,414 vessels arrived from foreign ports, of which 386 were ships, 609 brigs, and 381 schooners. In 1827 the tonnage of vessels built in New York amounted to 29,137, divided among 23 ships, 3 brigs, and 12 steamboats. The cotton trade of the South for Europe, and that of the New England manufacturing States, passed through this city. In 1829 there were received 215,705 bales, of which 191,626 were exported, and 24,000 taken by manufacturers. The value of the imports for New York in the year 1825 was $50,024,973, of which over $48,000,000 came in American vessels; that of the exports was $34,032,279, of which over $19,000,000 came in American vessels—in all a total foreign trade of $84,057,252, of which over $67,000,000 came in American vessels. Goodrich gives an interesting historical comparison of the trade at this period: "In the three years preceding the celebrated embargo of Mr. Jefferson's administration the exports of New York averaged $23,869,250 per annum; and in those years preceding the last war, $14,030,035; and during the years 1825–6–7 the average has been $26,000,000."

In June, 1820, upon the resignation of Mr. Varick as president, Lynde Catlin was elected president. During the few years following, the business of the bank increased very rapidly, notwithstanding several serious defalcations. Many more clerks were needed and salaries were again somewhat increased. In 1824 Walter Mead was made cashier. Mr. Catlin's administration was marked by great energy, and the extension of the business beyond the city and State. It seems from the minutes that he was rather too venturesome, for at a meeting held



Three-dollar Bill of the Merchants' Bank.

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August 23, 1828, a loan which he had made as president to the Sterling Company, proving to be unsound, was sharply criticised by the Board. Mr. Catlin, however, indorsed the paper of the Sterling Company, and the bank agreed to share his loss to the extent of $5,000.

The most striking changes in the physical features of the lower part of New York City—that below the Park—date from the beginning of the second quarter of the century. Gulian C. Verplanck, to whom New York is indebted for many curious and interesting reminiscences, returning from a long absence in 1829, noted the changes which had taken place in his time, in two letters published in the "Talisman" (1829–30), under the *nom de plume* of Francis Herbert:

> Pine Street (he writes) is now full of blocks of tall massive buildings which over-shadow the narrow passage between and make it one of the gloomiest streets in New York. The very bricks there look of a darker hue than in any other part of the city. The rays of the sun seem to come through a yellower and thicker atmosphere; and the shadows thrown there by moonlight seem of a darker and more solid darkness than elsewhere. . . . It was not thus thirty or forty years ago. Shops were on each side of the way—low cheerful-looking two-story buildings of light-colored brick or wood painted white or yellow, and which scarcely seemed a hindrance to the air and sunshine.

The "tall massive buildings" mentioned were four and five stories high. To-day Pine Street is lined with buildings from ten to fifteen stories high.

The year 1825 was made memorable by the opening of the Erie Canal, a national improvement which had a vast effect upon the business of the country. It connected the Great Lakes with the Hudson, and thus made an outlet for the products of the West. The suggestion of Gouverneur Morris to build such a canal was received upon one hand with enthusiasm and upon the other with derision. Morris, who had been a prominent member of the Provincial Congress of New York from 1775 to 1778, and was afterward Washington's agent in

New England and Minister to France, was a member of the family that founded Morrisania, and was born there in 1752. The canal scheme occupied the last years of his life. It was just at about the time the Merchants' Bank came into existence that he submitted to the State Surveyor-General a plan for a canal with uniform declivity to join Lake Erie to the Hudson. Until the completion of the Erie Canal the common route west from Albany was by the turnpike to Schenectady, and thence by boat up the Mohawk to Little Falls. The boats were flat-bottomed, could carry from three to ten tons, and were pushed up stream with poles. Around the drop at Little Falls a canal with eight locks had been built. From here to Utica, then a thriving place, was a good channel. Morris's plan was generally pronounced unpractical, but in 1808 the Legislature appropriated $600 for a survey of the route. De Witt Clinton became interested, and, as Governor of the State, was enabled to help along the project, which became known as "Clinton's ditch." Until the value of the canal had been proved by the immense increase in the commercial importance of New York, it was widely condemned as a plan to tax the whole State for the benefit of New York and Albany. Many said that it would be the financial ruin of the State. Madison said that its cost would exceed the revenues of the whole nation. Rufus King prophesied that it would bankrupt the State, and one orator declared that in future years it would be "watered with the tears of posterity." The cost of the canal, $9,000,000, then seemed a vast sum, but its completion easily added four times that amount to the value of real estate in New York. Remembering that there was not then nor for many years afterward a railroad in the country, the value of a water route from Buffalo to New York City seems to admit of no discussion. Its completion created towns where none had existed. In hundreds of towns of the State a bushel of wheat, a barrel of pork, a firkin of butter now had a market value; and in return for these, the wares of Western manufacturers began to find their way into the most distant of settlements.

Five-dollar Bill of the Merchants' Bank.

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The canal was no sooner opened than its beneficial effects were felt far and wide, and it is now recognized as the most important factor in the great stride that the commerce of New York made in the first quarter of the nineteenth century. The canal was opened in 1825, and on October 26th the first fleet of boats from Buffalo, led by "Seneca's Chief," carrying a distinguished party, was the subject of great rejoicings. Crowds greeted it at every hamlet and town. At Albany and New York bells were rung, cannons thundered, and parades filled the streets. There was no telegraph to announce the event, but the news reached New York from Buffalo in one hour and twenty minutes by successive discharges of cannon placed along the canal and the Hudson River.

About the year 1825 the city took another leap northward. The region around Astor Place, which was still devoted to farms and orchards, was cut up into streets, and handsome brick houses made their appearance. The fashionable summer evening resort, the Vauxhall Garden, which stretched from Broadway to the Bowery upon the site of the present Astor Library, a resort famous for its music and fireworks, cakes and ale, also disappeared before the march of improvement. In the triangle where Third Avenue and Fourth Avenue come together stood the grocery of Peter Cooper. Greenwich Village and Chelsea Village were still quite distinct communities. The neighborhood of St. John's Park, further downtown, which in 1807 had been declared too far uptown for a Trinity chapel, had become in 1825 the fashionable end of the city, where the Lydigs, Pauldings, Griswolds, Boormans, Depaus and other prominent families built their homes. The move of rich people to Washington Square did not begin until ten years later. The present Union Square was covered with rude shanties and used as a Potter's Field until 1845. Above Union Square were the fields. Gramercy Park was laid out by Samuel B. Ruggles and presented to the owners of the sixty lots surrounding it in order to induce the erection of attractive houses.

In 1828 the subject of gratuities to the employees of the

bank came up for discussion. It had been the custom to give yearly $100 apiece to the clerks and $50 to the porters as a present. This was objected to by the Board as unbusinesslike and done away with for some years. The system of bookkeeping was also overhauled, and bankers will find a curious light thrown upon the business system of the day by the following extract from the minutes:

Nov. 27, 1829.

"After declaring a dividend of 3% and deducting sundry items there remained a surplus of $44,743.95. The Committee also inspected the balance sheets of the books of the bank as taken by the bookkeepers on the 1st inst., found them unfinished and as they now appear showing a deficiency of debit or an excess of credit to the amount $3,297.69. The bookkeepers state that they have not yet had time since the taking off the balance thoroughly to examine them, which they are now in the course of doing with as little delay as the pressure of business will allow. The Committee finds sundry accounts overdrawn which have so remained for many years and are bad, the parties having long since failed and become bankrupt. Why these overdrawings were not debited to profit and loss in the year 1819 when there was an order of the Board to close all the overdrawn accounts which were known to be bad, the Committee are not informed. They recommend that they be now charged to that account and closed."

Dec. 2, 1829.

"It being understood that the books of this bank have not balanced for several years, therefore resolved that the Cashier is hereby instructed to cause the bookkeepers to make diligent and faithful examination of their respective ledgers, to endeavor to discover the errors, in case they cannot be found to make report to this Board without delay. Resolved, that hereafter the books be regularly and truly balanced semi-annually, previous to the dividend days and if any of the ledgers are found not to balance that the person or persons under whose charge they are kept be immediately reported to this Board for their order thereon."

In 1830 the salary of the president was made $2,500, and the salary of the cashier $2,200, together with the use of the banking-house in Wall Street. The salary of the first teller was

The New York Stock Exchange. From a photograph taken in 1903.

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made $1,400, the second teller $1,100, and the third teller $800 a year. During these years the average surplus remaining after the dividends were paid was $50,000.

Among the directors elected in 1831 were John David Wolfe and Benjamin Aymar. Mr. Wolfe's grandfather came to America from Saxony prior to the year 1729. He died in 1759, leaving four children. John David Wolfe was born July 24, 1792. He retired from business in the prime of life, and devoted his best labors and great wealth to philanthropic and benevolent purposes. He was a member of the Episcopal Church, and at his death was senior warden of Grace Church. Mr. Wolfe was unostentatious in his character, but has left many enduring monuments to his memory, not only in New York City, but in various remote parts of the country. He gave labor and money for the advancement of the New York Historical Society, and was one of the founders of the American Museum of Natural History, and its first president. He died on May 17, 1872, leaving but one child, the late Catharine Lorillard, who inherited her father's noble qualities.

Benjamin Aymar was one of the noted shipping merchants whose ships plied between New York and the West Indies. It is said that before Mr. Aymar moved from 6 State Street to 84 Fifth Avenue, in 1849, it was his habit to visit Front and Water Streets, where his chief customers did business, as early as six o'clock in the morning, in order to learn for himself who were the earnest workers and who the lazy fellows. He was an excellent type of the shrewd, intelligent merchant, the soul of integrity and a believer in incessant work.

In 1832 the bank's original charter expired and was extended for twenty-five years. At the same time salaries were increased again, the cost of living having greatly grown. The cashier's salary was made $2,500, and the next year $1,000 was added in lieu of the rooms in the bank building; first teller $1,600, and an average of $100 a year was added to all the other salaries. On the 3d of August, 1832, the bank was closed until one o'clock, the day being set apart as one of fasting,

humiliation, and prayer. The cholera had almost ruined business for the time being. The distress was general.

In October, 1833, Mr. Catlin died, and H. I. Wyckoff was appointed president *pro tem.* In November, 1833, John I. Palmer, formerly president of the American Insurance Company, was elected president. Mr. Palmer was born in Scotland in 1779. He came to New York when about twenty years of age, and became a member of the firm of Palmer & Hamilton, South American shipping merchants. He was a member of the St. Andrew's Society and of Dr. Hutton's Presbyterian church in Washington Square. He was receiver of the old North American Trust Company and a director in the New York Gas Company. He continued as the president of the Merchants' Bank until his death, which occurred February 1, 1858, at the age of seventy-nine years.

CHAPTER VI

FROM 1835 TO 1857—THE GREAT FIRE OF 1835, WHICH COST NEW YORK $20,000,000—BORROWING MONEY FROM EUROPE TO REBUILD—THE PANIC OF 1837—THE CURRENCY SITUATION AND FINANCIAL STRAIN—OSWALD J. CAMMANN ELECTED CASHIER—A NEW BANKING-HOUSE ERECTED UPON THE OLD SITE—ALEXANDER T. STEWART A DIRECTOR—VAST GROWTH OF THE COUNTRY'S RAILWAY SYSTEM—THE ORGANIZATION OF THE CLEARING-HOUSE—SAMUEL T. CAREY AS PRESIDENT AND AUGUSTUS E. SILLIMAN AS CASHIER—BANKING RULES OF 1854.

THE statement of the Merchants' Bank for January 1st, 1835, was as follows:

Resources.		Liabilities.	
Loans and Discounts,	$2,435,491	Capital,	$1,490,000
Real Estate,	59,556	Deposits,	1,255,145
Due from Banks,	958,222	Due to Banks,	1,433,356
Bank Notes,	800,814	Circulation,	510,804
Cash Items,	111,142	Undivided Profits,	151,168
Specie,	475,248		
	$4,840,473		$4,840,473

In 1835 the city was visited by one of the most terrible calamities in her history. A fire broke out on the night of December 16th of that year, which raged fiercely for two nights, and was not extinguished till the third day. In its course along Wall Street, the line of the East River, and returning to William and Wall Streets, it embraced a large irregular triangle of ground, an area of thirteen acres, covered by 693 houses and stores, with property valued at $18,000,000. Among the buildings destroyed was the fine marble Exchange in Wall Street and the South Dutch Church in Garden Street. The stores were mostly wholesale. The fire insurance companies of

the city, almost without exception, went down under the blow. The weather was intensely cold; the insufficient supply of water froze in the pipes and hose, thus paralyzing the labors of the citizens. The horrors and sufferings of the disasters exceed description. The gentlemen of the city were all on the ground, and the properties of the Wall Street institutions were moved and moved again, before final safety was secured. Yet, as in previous periods of distress, the energy of the citizens was equal to the emergency; and New York, within an incredibly short period, rose from its ashes rebuilt and vastly improved. The buildings erected were of a superior character, and the streets themselves were somewhat changed for the better.

In 1836 the large building operations which followed the great fire led to much increase in the work of the Merchants' Bank. More clerks were employed and salaries were again increased. Money, however, was scarce and the bank entered into negotiations for a loan of $745,000 from Europe. In this year also the Government became, for the first time, a depositor in the bank by the terms of an agreement signed July 15, 1836.

The panic of 1837, of course, affected the banks of New York, with every financial institution of the country. After a climax of prosperity, manufactures had come to absorb a large amount of capital for the foreign and domestic markets. The passion grew strong, too, for building railways and canals, whose construction absorbed large sums of money. All this, with the pressing demand for food-stuffs, stimulated the growth of new American towns and new centres of trade. But in the midst of this change Jackson began to fight the Bank of the United States; it was dismantled, the national patronage was diverted to State banks, and all over the country new State banks were created. In the seven years from 1830 to 1837 the nominal capital of these banks increased from $110,000,000 to $225,000,000. Bank-notes multiplied enormously, for there was no efficient regulator of the currency; bold enterprises likewise,

for which these banks furnished ready capital. Energy soon rose to infatuation, and so high was the beat of feverish speculation that the season of over-trade was run through with locomotive speed. And now came the crisis and the crash of national ruin; and what hastened the calamity most of all was the derangement in the flow of metallic currency produced by Jackson's specie circular. A second cause of disaster, for which Congress was more to blame, came from the surplus distribution to the States, for on the quarter-days of January and April, as the law provided, the surplus instalments were drawn from the pet deposit banks, leaving them quite exhausted. And once more there was now a glut of merchandise from Europe; and having imported more than they could well dispose of, our merchants, since American credit was impaired, had to draw heavily on their banks for specie to be shipped across the Atlantic.

More and more severe had been the financial strain through the winter. Money grew scarce, commanding exorbitant interest rates, which rose as high as three or four per cent. a month. Ambitious ventures of every kind required cash to tide them along so that outstanding engagements might be fulfilled. Labor found no relief from the incubus of high rents and provisions. In New York City angry meetings were held at the Park, though with less riotous accompaniments than before. Here were seen fiery hand-bills posted on the walls: "No rag money, give us gold and silver; down with the chartered monopolies." While the workingman was thus oppressed, he imagined his oppressor screwing up a fortune at every turn, and in that same harsh key Jackson had pitched his farewell address. It did not take long to falsify that theory. Late in March a heavy cotton failure was announced in New Orleans, which involved other houses besides, with correspondents in New York City. The strained cord of speculation snapped apart at once. Embarrassments which were first felt in two great seaports vibrated to every quarter of the Union. Millions of acceptances were returned protested from the South and West. Wild panic

View of City Hall, Park Theatre, Broadway and Chatham Street in 1822.

spread from town to town; business men suspended payment, house after house went down, contract engagements were defaulted, improvement projects came to a stop, and mechanics discharged their hands, unable to provide work for them. Down came the mercury of fictitious prices; merchandise fell in value thirty per cent.; real estate depreciated, and still more the local stocks in railroads and canal enterprises. Cotton, tobacco, all the great staples, felt the shock; and as to breadstuffs, instead of exporting them it happened this year that America had been forced to draw upon the granaries of Europe because of a bad harvest. Ill fared the banks in this evil extremity. At first the chief establishments of New York and Philadelphia tried to obtain relief by enlarging their discounts, and Biddle, whose word was still law, besought the men of business to have confidence in themselves. But such aid was only temporary. Ill news from Europe depressed the market more heavily; the Bank of England, so far from aiding, stopped the

Looking north from St. Paul's Chapel in 1903.

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EDWARD HOLBROOK.
Elected Director 1897.

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foreign credit of American banking-houses; and when the wild run began, institutions trusted as the soundest were soon drained of their metals. The banks concerted measures of self-defence against their customers. On the 10th of May all the banks of New York City suspended specie payment; those in Boston, Philadelphia, and Baltimore followed on hearing the news; Biddle's mammoth among the rest; the summer saw not a bank in the whole Union meeting its demands in gold and silver. The Legislature of New York at once legalized suspension in that State for a year, and every legislature took the same course at the earliest opportunity.

In States like New York, which had helped Jackson's "yellow-jackets" into circulation by five-dollar laws, small currency had now melted out of sight, and the butcher or the baker took his pay in printed tickets and "I O U's." Happy was the individual whose personal credit could float such petty promises. There had been much private banking in the remote parts of the Union, and private bank issues swelled the indigestible mass of pulp-money on trade's overloaded stomach. The only local circulation really sanctioned was the paper of chartered banks; but in the maelstrom few States compelled with authority, and there was no national regulator at all. The bitter cup for the Jackson dynasty amid this general humiliation was the suspension, the utter prostration, of its favored depositories. Not all the foresight of selection or security, not the conduit of the Treasury rills into their choice cisterns, had saved them from calamity. Deposit and non-deposit banks, the fed and the unfed, bent like dried reeds in the storm and broke together. The trap of suspension sprang upon nine millions or more of Government funds which were divided among the banks of twenty-six independent jurisdictions; or, rather, the public revenue to that amount had already sunk through these bottomless coffers into the common bog of speculation. The statistics of this loss were highly discreditable to the Government, indicating gross favoritism; for while our Treasury had already drained out nearly all the public deposits in New England and New

York banks, the remote and less responsible custodians of the Southwest had been left with large funds not drawn upon. The Mobile bank led the list, with over a million dollars in default to the Government, and three banks of Mississippi and Louisiana stood next, each owing $800,000. And these were surplus moneys which would accrue to the different States in October, the 3d of July instalment having been met by the Treasury with great difficulty. By the time these pet deposit banks had completely suspended, the general Government was in great distress. Its specie revenue had dwindled to a mere rill, of bullion scarce a million dollars were left in the mint; in vain did Van Buren threaten his insolvent custodians. Woodbury, Secretary of the Treasury, soon yielded to the situation and began paying off public creditors in the paper of suspended banks. But a practical favoritism made this administration detested. Not the contractor alone, but the pensioner, the day laborer in public employ, the soldier and sailor, all were paid in this depreciated stuff, in the notes of banks on the eve of utter bankruptcy, while the President and the high officials of the nation drew their salaries in specie as before; and the same privilege was tendered on the first opportunity to the Members of Congress, as though to make them share in the odium.

The clearing away of the financial storm found the Merchants' Bank in excellent condition, thanks to the conservative management of its officers and directors, such prosperity being reflected in the minute of June 13th, increasing the salary of President Palmer to $4,500 a year.

In May, 1838, the banks of the city resumed specie payment. In September of that year Walter Mead, who had been cashier since 1824, resigned, and Oswald J. Cammann, the first teller, was appointed in his place at a salary of $3,500 a year. The changes in the personnel of the bank then brought about led to a protest upon the part of some of the clerks, who thought that promotion should go by seniority in office. The directors resolved, however, that such appointments must depend upon merit. Oswald John Cammann, who remained cashier

Illustrating the Sort of Money Described on Page 121.

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Oswald J. Cammann.

until 1852, was born in the city of New York in 1803. He was always called by his two Christian names to distinguish him from his elder cousin Oswald, for many years a broker in Wall Street. He was of German extraction on both father's and mother's side, his paternal ancestors having come from Hanover. His mother was Miss Oswald, daughter of Philip Oswald. His father, Peter A. Cammann, died when Oswald John was thirteen years old, the eldest of eight sons. The family, being in straitened circumstances, he was obliged to leave school, and obtained a position in a lawyer's office, and subsequently in the Merchants' Bank. In 1852 the presidency was offered him. This honor he declined on account of failing health. In 1860 he removed to Geneva, N. Y., which was his home until his death, March 29, 1873. In 1829 he married Miss Macomb, daughter of John Macomb, of New York, and niece of General Macomb, Commander-in-Chief of the United

The Bank Building erected in 1840 and occupied until 1883.

States Army from 1828 to 1841. He was literary in his tastes, fond of books, of which he made a good collection, and of works of art. He was a regular attendant of the Protestant Episcopal Church and a liberal supporter of her charitable work.

In the latter part of 1838, it having become evident that the building used by the bank since its beginning, in 1803, had become unfit for further profitable use, the subject of a new banking-house was taken up. The old building, bought from Mr. Henderson, was originally a private dwelling-house, and with the rapid increase of the value of land in Wall Street it was felt that something more fitting for the business was needed. For several years the upper story of the bank building had been rented to Messrs. Cutting and Tillen, brokers, at $800 a year, and some of the upper rooms were occupied by

Doorway of the old Bank Building.

the porter. The quarters of the bank on the ground floor were so inadequate that it became either a question of rebuilding or moving elsewhere. Mr. Wyckoff, at the meeting of September 25th, laid before the Board plans for a new banking-house prepared by Isaiah Rogers, the architect, which were at once approved and adopted. The new building was to be of granite and to be the finest banking-house in the United States. It was to cost more than $40,000, a very large sum for those days. Before deserting the old building, which had been the home of the bank for thirty-five years, and in recognition of the services of Mr. Palmer, the president, a present of silver plate costing $1,000 was made to him. A resolution passed October 24, 1839, shows the stand taken by the Merchants' Bank in favor of sound money. It is as follows:

"President laid before the Board a copy of resolutions passed at a meeting of merchants and traders calling upon the several banks to receive and pay out the bills of the Safety Fund Bank in the interior of the State, and urging the necessity of the City banks extending the amount of their discounts.

"Whereupon it was resolved that the directors of the Merchants' Bank will at every necessary sacrifice continue to redeem all its liabilities in specie. That the receipt and payment of the Safety Fund money of the interior seems to them to be impracticable and that if the measure were adopted it would not afford the general relief anticipated.

"Resolved that this bank will increase its discounts 5% on the amount of its capital provided the other City banks will simultaneously extend theirs in the same proportion."

In December, 1839, Henry I. Wyckoff died. He was a director of the institution since its organization and was commonly called the father of the bank. His name appears upon all important committees, and the directors, by resolution, testified to the steady and intelligent devotion he had always borne toward the best interests of the institution. The following year the move into the new building was marked by a gratuity of $1,000 to the president and $500 to the cashier. At the same

time their salaries were made respectively $5,000 and $3,750 a year. In 1841 the bank agreed to receive from the United States Treasury half a million dollars, for which six per cent. interest was to be paid.

Cornelius Van Schaick Roosevelt, the grandfather of President Roosevelt, was elected a director the same year. Mr. Roosevelt was born in New York City January 30, 1794. He was a descendant in direct line from Klaas Martensen Van Roosevelt, who left Holland in 1649, and settled in New Amsterdam, where he became one of the most prominent and wealthy citizens under Dutch and under English *régimes*. His father, Jacobus I. Roosevelt, gave his services, without reward, as commissary during the entire War of Independence. From him and his ancestors, Cornelius Roosevelt inherited a large fortune, and this he augmented by various successful financial ventures, becoming one of the five richest men of New York. For many years he was engaged in the importation of hardware and plate glass. He died at Oyster Bay July 17, 1871.

At the annual election held in June, 1843, Alexander T. Stewart's name appears for the first time. Alexander Turney Stewart was born in Lisburne, near Belfast, Ireland, October 12, 1803. He was of Scotch-Irish descent, his father being a Scotch emigrant to the North of Ireland, and dying when Alexander was a school-boy. During early years he was under the care of his grandfather. He received a college education at Belfast and Trinity College, Dublin, with the design of entering the ministry, but the sudden death of his guardian, leaving Alexander and his mother the only survivors of the direct family line, interfered with this plan, and in 1823 he came to New York. He was for a time tutor in the school of Isaac F. Bragg, in Roosevelt Street, then one of the fashionable quarters of the city. Shortly after, with the legacy of his grandfather, amounting to $3,000 or $4,000, he started in the dry-goods business. In 1848 he purchased, for the sum of $65,000, the property at the northeast corner of Chambers Street, once known as Washington Hall, a place of fashionable

Alexander T. Stewart.

resort, and erected a marble building, which was for many years famous as the finest dry-goods store in the country. During all these years the business of A. T. Stewart & Co. increased with great rapidity, and at the time of the beginning of the War of the Rebellion Mr. Stewart was already many times a millionaire. In 1862 the great iron building at Tenth Street and Broadway was completed at a cost of $2,750,000. Here Mr. Stewart removed his retail business, leaving the down-town establishment for his wholesale trade. In the meantime he had established branch houses in this country and abroad, at Boston, Philadelphia, Paris, Lyons, Manchester, Glasgow, Berlin, and Chemnitz, with numerous mills in England and the United States, manufacturing goods exclusively for the house of A. T. Stewart & Co. At an early period in his business life Mr. Stewart began investments in real estate, which soon enormously increased his wealth. Besides his possessions in the

city of New York, he owned the Grand Union Hotel at Saratoga, and a vast estate at Hempstead Plains, on which was built the town of Garden City. At the time of his death Mr. Stewart was one of the richest men in the city. His business success was due not only to his shrewdness, but also to his courage. On the outbreak of the Civil War, foreseeing the inevitable rise in cotton, he bought largely of fabrics in this material, and was thus enabled to control the market. Besides this, he had immense contracts with the Government, directly and indirectly, which amounted to an enormous business itself. At the beginning of the war, when the Government had great difficulty in clothing the troops hurried to the front, Mr. Stewart bought the entire product of several woollen mills in New York State and New England, and made uniforms and flannel underwear, which he sold to the State Government in large quantities and at very low prices. For many years he insured himself, and he rarely consulted anyone in regard to his transactions. It is said that during his lifetime only one man beside himself knew the value and extent of his property, and that man was his confidential bookkeeper. Mr. Stewart was a warm personal friend of General Grant, and when the latter became President in 1869 his first act was to appoint Mr. Stewart Secretary of the Treasury. Being interested in the importation of merchandise, Mr. Stewart was inhibited by law from holding the position, and the Senate refused to confirm. President Grant, in a message, recommended that the law be repealed, and Mr. Stewart offered to turn over his entire business to trustees, or retire from it altogether, but this was not considered as covering the disability, and Mr. Stewart remained out of office. During his lifetime he was interested in many important charities. He gave $50,000 to Chicago after the great fire of 1871. During the rebellion he gave $100,000 to the United States Sanitary Commission, and in 1862 contributed $10,000 for the relief of the starving operatives in Lancashire, England, thrown out of employment by the cotton famine caused by the Civil War. Three years before his death

William H. Townsend.

he removed to the marble palace he had erected at the northwest corner of Thirty-fourth Street and Fifth Avenue. This house was, perhaps, the finest private dwelling in America. He died in New York April 10, 1876.

In 1847 Wm. H. Townsend entered the Board and proved to be a valuable member, serving for more than twenty-five years. Wm. Hawxhurst Townsend was born at Chester, Orange County, N. Y., in April, 1801. He was the son of Peter Townsend, widely known as one of the owners and inheritors of the old Sterling Iron Works in Orange County, which works are historical as the place where was forged the chain which was stretched across the Hudson at or near West Point, to prevent the passing of British ships during the Revolution. Mr. Townsend early entered business and had a long, active and honorable career, managing and carrying on with his brothers the heavy work entailed in large iron interests, in-

volving the care of large numbers of workmen, and seeing to the interests of their families. He also assumed large interests in the dry-goods business in the South, which, when the War of Rebellion broke out, caused heavy anxieties that helped to break his health, so that he retired from all business at the close of the war. He was a man of fine presence and genial manners, but of simple tastes and very domestic. Travelling and books were his great pleasures. He was fond of his home and of doing kind and generous acts to those less fortunately placed. After a long illness he died in June, 1873, in the seventy-third year of his age.

The middle of the century found business again exceedingly prosperous and the cost of living so much increased that a rearrangement of salaries took place. That of the president was made $6,000 and those of the other officers and clerks increased by various sums from $500 to $100 apiece. In 1850 Robert L. Maitland was elected a director, becoming later one of the most active members of the Board. Robert Lenox Maitland was the son of Robert Maitland, a native of Kirkcudbrightshire, Scotland, who crossed the ocean toward the end of the eighteenth century, and settled first in Norfolk, Va., and then in New York City, and of his second wife, Eliza Sproat Lenox, the oldest daughter of Robert Lenox, a prominent merchant of New York City, of Scottish birth.

He was born in Edinburgh, Scotland, on April 1, 1818, his father having returned to Scotland the previous year. When he was about seven years old his parents came back to America and he received his education at home from private tutors, until 1835, when he went to Princeton College, whence he was graduated very creditably the following year, and entered the business house of James Donaldson, the husband of his mother's youngest sister. In 1841 Mr. Maitland established the firm of Robert L. Maitland & Co., in the general commission business, and succeeding to James Donaldson, who then retired in their favor. This firm was continued up to the time of Mr. Maitland's death in 1870; his partners being first,

Robert L. Maitland.

Alexander McConochie, and then William Wright, who died in 1867; and after March, 1869, his son Alexander Maitland. Mr. Maitland continued a member of the Board until his death, taking an active part in the management of the affairs of the bank, until prevented by failing health in 1868.

The year 1851 saw the opening of the first great trunk railway line, that which ran its trains as far as Dunkirk on Lake Erie. The line from Albany to Schenectady, which had been opened in 1832, became in 1853 a part of the newly organized New York Central system, whose rails reached Buffalo a year later. The Hudson River Railroad from New York to Albany was opened in 1851, and later a part of the New York Central system. In 1852 Samuel T. Carey was elected president, and the death of John D. Campbell, for many years a notary of the bank, occurred. In the same year Mr. Cammann, the cashier

since 1838, resigned, owing to ill-health, and Augustus E. Silliman was appointed in his place. In February, 1853, Conrad W. Faber, who had been a director for several years, resigned his office owing to financial reverses, but the Board refused to accept it.

In September, 1853, the Board authorized the officers to agree upon such plans for a clearing-house as should be determined upon by a general meeting of the banks. Thus came into existence one of the most potent agencies in the financial mechanism of modern times. The system was not original with New York, but was first established by certain banks in London in 1775. Albert Gallatin, in a pamphlet published in 1841 under the title "Suggestions on the Banks and Currency of the several United States in Reference to the Suspension of Specie Payments," said:

"In connection with this branch of the subject there is a measure which, though belonging to the administration of banks rather than to legal enactments, is suggested on account of its great importance. Few regulations would be more successful in preventing dangerous expansions of discounts and issues on the part of city banks than a regular exchange of notes and checks, and an actual daily or semi-weekly payment of the balances. It must be recolleted that it is by this process alone that a bank of the United States has ever acted, or been supposed to act, as a regulator of the currency. Its action would not in that respect be wanted in any city the banks of which would, by adopting the process, regulate themselves. It is one of the principal ingredients of the system of the banks of Scotland. The bankers of London, by the daily exchange of drafts at the Clearing House, reduce the ultimate balance to a very small sum, and that balance is immediately paid in notes of the Bank of England. The want of a similar arrangement among the banks of this city produces relaxation, favors improper expansions, and is attended with serious inconveniences. The principal difficulty in the way of an arrangement for that purpose is the want of a common medium other than specie for effecting the payment of balances. These are daily fluctuating; and perpetual drawing and redrawing of specie from and into the banks is unpopular and inconvenient.

East side of Broadway, above Trinity Church, in 1830.

"In order to remedy this, it has been suggested that a general cash office might be established, in which each bank should place a sum in specie proportionate to its capital, which would be carried to its credit in the books of the office. Each bank would be daily debited or credited in those books for the balance of its account with all the other banks. Each bank might at any time draw for specie on the office for the excess of its credit beyond its quota, and each bank should be obliged to replenish its quota whenever it was diminished one-half, or in any other proportion agreed upon."

The meeting to discuss the question of a clearing-house was held August 23, 1853, in response to a call from the Mechanics' Bank, when the officers of thirty-eight banks were represented. A committee consisting of F. W. Edmonds, cashier Mechanics' Bank; James Punnett, cashier Bank of America; Aug. E. Silliman, cashier Merchants' Bank; John L. Everett, cashier Broadway Bank; Richard Berry, cashier Tradesmen's Bank; R. S. Oakley, secretary, was appointed. On October 3d a room was obtained in the basement at 14 Wall Street and on the 11th of that month the first exchanges were made, reaching a total for the day of $22,648,109.87. The adoption of a constitution for the clearing-house was opposed by a num-

ber of the banks on the ground that it was not needed and might tend to a dangerous concentration of power in the hands of a few managers. But necessity for fixed rules became apparent, and the constitution, as it stands in force virtually to-day, was adopted. It was prepared by George Curtis, president of the Continental Bank. The original members of the clearing-house were:

Bank of New York,
Manhattan Company,
Merchants' Bank,
Mechanics' Bank,
Union Bank,
Bank of America,
Phenix Bank,
City Bank,
North River Bank,
Tradesmen's Bank,
Fulton Bank,
Chemical Bank,
Merchants' Exchange Bank,
National Bank,
Butchers' and Drovers' Bank,
Mechanics' and Traders' Bank,
Greenwich Bank,
Leather Manufacturers' Bank,
Seventh Ward Bank,
Bank of the State of New York,
American Exchange Bank,
Mechanics' Banking Association,
Bank of Commerce,
Bowery Bank,
Broadway Bank,
Ocean Bank,
Mercantile Bank,
Pacific Bank,
Bank of the Republic,
Chatham Bank,
People's Bank,
Bank of North America,
Hanover Bank,
Irving Bank,
Metropolitan Bank,
Citizens' Bank,
Knickerbocker Bank,
Grocers' Bank,
Empire City Bank,
Nassau Bank,
East River Bank,
Market Bank,
St. Nicholas Bank,
Shoe and Leather Bank,
Corn Exchange Bank,
Central Bank,
Continental Bank,
Bank of the Commonwealth,
Oriental Bank,
Marine Bank,
Atlantic Bank.

The minutes of December 1, 1854, contain the following rules, which are curious as reflecting the banking system of half a century ago:

"The subscribers who in conjunction with the officers were appointed a committee for the purpose, respectfully propose the

State Circulation, Issue of 1859.

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following suggestion for the more correct keeping of the accounts and assets of the bank:

"1. Cash in the hands of Paying Teller be occasionally examined without premonition.

"2. That all certified checks, notes or acceptances be hereafter entered in a journal to be prepared for that purpose and the debits posted daily to their respective accounts therefrom.

"3. That it will be necessary for this purpose that the Paying Teller have additional aid, and to that end the Cashier be requested to detail a clerk whose duty it should be to act as his assistant.

"4. That to guard against errors in the payment of cash for checks that the Paying Teller will in all cases hand over the amount after he has counted the same to the assistant, who shall recount it and report to him as correct or otherwise before it is delivered to the payee.

"5. That the bookkeepers of the individual ledgers alternate with each other once in four weeks or oftener if deemed necessary, and that the Cashier shall immediately notice any just cause of complaint made by a bookkeeper on entering upon another ledger which is behindhand.

"6. That at least once during the interval of the semi-annual examination of the affairs of the bank by the Board and as much oftener as he shall deem it expedient, the Cashier shall detail a clerk who shall examine in conjunction with the discount clerk the assets and collateral of the discount department and make a proof return thereof to be laid before the Board.

"7. That no person in the bank hereafter have authority to certify checks, save the President, Cashier, and Paying Teller. In case of absence or sickness of the Paying Teller, the President or Cashier shall designate upon whom such duty shall devolve. Resolved, that the Cashier be required to lay before the Board on or before the 15th of each month the balance sheet of the general ledger and individual ledgers of the preceding month."

On the last day of December, 1856, John I. Palmer, S. T. Carey, A. E. Silliman, J. Auchincloss, A. T. Stewart, B. B. Sherman and R. L. Maitland were appointed a committee to wind up the affairs of the bank at the expiration of its charter. The real estate was then valued at $160,000. The value of the bank's stock is shown by a sale of 2,620 shares at $136, the

par value being $50. In appreciation of their services in the liquidation of the business Messrs. Palmer and Carey were presented with $3,000 apiece, and Mr. Silliman with $2,500. A dividend of twenty-six per cent. was declared as a financial distribution of the assets of the institution.

ORRIS K. ELDREDGE.
Elected Director 1898

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CHAPTER VII

FROM 1857 TO 1865—THE MERCHANTS' BANK UNDER A NEW CHARTER—JOHN I. PALMER ELECTED PRESIDENT—THE FINANCIAL PANIC OF 1857—JACOB D. VERMILYE ELECTED CASHIER AND MR SILLIMAN PRESIDENT—GUSTAV SCHWAB AND ROBERT L. STUART ELECTED DIRECTORS—THE CIVIL WAR AND SUBSCRIPTIONS FOR GOVERNMENT BONDS.

THE first meeting of the Merchants' Bank under the new charter was held on January 2, 1857, when the following gentlemen were present :

John I. Palmer,
Samuel T. Carey,
Benjamin Aymar,
John Auchincloss,
Wm. H. Townsend,
Alexander T. Stewart,
William A. Hadden,
Benj. B. Sherman,
Robert L. Maitland,
Edwin A. Oelrichs,
Wm. E. Wilmerding.

John I. Palmer was elected president, Samuel T. Carey vice-president, and Augustus E. Silliman cashier. The president was authorized to purchase the real estate of the association at 42 Wall Street for $160,000, the furniture at $500, and the discounted bills. Nineteen clerks and two porters were appointed. Early in January the capital of the bank was increased to $3,000,000, to be called in in instalments at the discretion of the Board.

In May, 1857, on motion of Mr. Stewart, it was resolved that the rates of salaries as then reported be adopted to take effect from January 1, 1857, with the understanding that the system of occasional gratuities be abandoned. The salaries were: President and cashier, $6,000 each; first teller, $2,500; second teller, $2,100; third teller, $1,800; general ledger bookkeeper, $2,100; transfer clerk, $1,800; dis-

Meeting of the Stock Exchange in 1850. (From Appleton's "New Metropolis.")

count clerk, $1,700; register, $1,600; cashier's assistant, $1,600; first assistant teller, $1,500; bookkeepers, $1,500, $1,400, and $1,200; second assistant teller, $1,000; assistant clerks, $1,000, $900, $800, and $600; check clerk, $800; porters, $800 each.

The autumn of 1857 saw a financial crisis of that kind which is apt to recur in an expanding country like ours as the cycle advances from booming prosperity to the over-confident and over-productive stage. A rapid decline in the value of railroad stocks and bonds from June to September was the first symptom of trouble shown by the barometer of the New York Stock Exchange. Banks began contracting their loans to save themselves, and then came, in August, the unexpected failure of the Ohio Life and Trust Company. The first real blow to public confidence was followed in rapid succession by the failure of railroad, insurance, and banking companies, and mercantile

State Circulation, Issue of 1862.

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JOSEPH W. HARRIMAN.
Elected Director 1901.

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houses at the East, all tangled in one another's calamities. Many defalcations were brought to light; houses hitherto of the highest reputation, connected with the iron, cotton, or woollen mills, were forced to suspend; and about the middle of October the crash culminated when the banks of New York City, pressed by the excited crowds about their doors, suspended specie payments, setting an example which most every bank throughout the Union, which had not already done the same, was glad to follow.

That season of the year which is usually the most thriving for trade was the one which felt the full weight of financial calamity. Of the furnaces and forges in the Union, at least one-half were closed; factories and machine-shops discharged their workmen and remained idle; defaulting railroads went into hands of bondholders, wiping out their capital stock; Western farms and cities were forced to compromise with creditors. Ship-building, too, which had lately been a proud national industry, now collapsed, and our ocean carrying trade was for a time almost annihilated. The cold season brought much distress, especially in the large cities, for in New York's metropolis alone it was estimated that nearly 40,000 mechanics were thrown out of employment. Not for twenty years, at least, did so large a proportion of our people remain unwillingly idle.

Although the severity of this pressure gradually relaxed, and both confidence and activity were by another twelve months fairly restored, some lessons were left to be learned. Trade throughout the Union suffered from a defective currency, and still more from that redundancy of debt which over-confidence piles bravely up. The West owed the East; the interior owed the Atlantic seaboard; the Atlantic seaboard owed Europe. The South with its cotton was relatively better off, yet the kingly staple suffered in market price. Premature railroads at the West had fostered premature cities, teeming with premature traffic for a premature population; and while canals and railroads had conspired to reduce the mileage rate of transportation, the dispersion of American farmers over a vastly wider

area counterbalanced the advantage. Our grain-fields were now in the heart of the continent and the Mississippi Valley, and it cost us actually more by the ton to exchange our wheat, corn, and meat for the metals, wares, and fabrics of Europe than it did our ancestors ten years prior to the Revolution. Whoever travelled in these years from Cincinnati or Chicago eastward needed to carry on his person a heavy purse of gold coin for his journey's wants, with a good draft of exchange on New York, Boston, or some other chief Eastern city, for what he might need besides. If foolish enough to take the bills of some Western State bank which circulated in the city which he left, and were paid him over the bank counter, he found them difficult to pass in Cleveland or Buffalo, and by the time he reached Albany he could do nothing with them. The vignettes and signatures of the myriad local banks whose bills circulated were alone worth an expert's study; they invited forgery of the most startling description.

Mr. Carey died in the early part of 1858, and E. A. Oelrichs was elected vice-president in his place. On the 29th of January of the same year Jacob D. Vermilye was elected cashier at a salary of $5,000 a year. A few days afterward came the death of John I. Palmer, long an able, devoted officer of the bank. He was succeeded in February by Mr. Silliman, who had been cashier of the bank since 1852.

Augustus E. Silliman was born at Newport, R. I., April 11, 1807. He was a son of Gold S. Silliman, of Brooklyn, who died in 1868, in his ninety-first year. His grandfather, also named Gold S. Silliman, was a general in Colonial days, and attorney for the Crown (King's Attorney) in Fairfield County, Conn. He was an early promoter of the Revolution, and throughout that war a gallant, energetic, and trusted officer, and rendered good and efficient service in the battles of Long Island, Harlem, White Plains, Danbury, and elsewhere. Mr. Silliman early embarked in commercial pursuits. He was one of the organizers of the Clearing-House Association, and a member of its Clearing-House Committee from its institution,

Augustus E. Silliman.

in 1853, to 1859. He continued to be the president of the Merchants' Bank until compelled, in May, 1868, by impaired health, to retire from active business pursuits. Upon his retirement from the presidency of the bank, the directors, by resolution, declared that they "could not permit the separation to occur without recording their sense of the ability, devotion, and courteous bearing with which he had fulfilled every trust during a connection of over forty years with that institution," and added that "no one in any financial community can point to a more pure and spotless record of unswerving fidelity to duty and honor," and referred to the prosperous condition of the bank as a proof of his financial ability. He received at the same time, among many other evidences of the esteem in which he was held, an honoring and gratifying testimonial in a letter addressed to him and signed by the presidents and officers of the various banks of the city represented in the Clearing-House Association, expressing their "respect and warm good wishes,

and their appreciation of the uniform courtesy and kindness which have characterized your intercourse with us, the zeal and consistency with which you have always supported sound and conservative measures, and the influence which you have exerted in establishing and giving character and dignity to the Association." This high testimonial was signed by gentlemen many of whose names are distinguished in the financial history of the country. Mr. Silliman was for a number of years identified with the Century Club, Long Island Historical Society, and New York Mercantile Library Association, of which latter he was for a time the president.

Upon his retirement from active business pursuits he devoted himself largely to literature, and having in his early days written a volume entitled "A Gallop Among American Scenery," which was published by the Appletons in 1848, in 1881 he published a second edition, containing a number of chapters not embraced in the first. A translation by him from the French of "Fénelon's Conversations with M. de Ramsai on the Truth of Religion," with his "Letters on the Immortality of the Soul and the Freedom of the Will," enriched by notes by Mr. Silliman, was published in 1869. He died after a lingering illness, May 30, 1884, and was buried in the family vault in Greenwood Cemetery.

In April, 1858, the bank decided to buy for $25,000, from Daniel B. Fearing, the lot on Pine Street in the rear of its premises. Robert L. Stuart and E. F. Sanderson were elected in February directors in the place of John I. Palmer and Benj. Aymar.

Robert L. Stuart was the eldest son of Kinloch Stuart, and was born in the city of New York on July 21, 1806. After the death of his father, in 1826, he continued the business of manufacturing candy until January 7, 1828, when the firm of R. L. & A. Stuart (the latter his younger brother) was formed. The copartnership continued unchanged for fifty-one years, and until dissolved by the death of the junior partner in 1879. In 1832 R. L. & A. Stuart commenced refining sugar by steam,

Robert L. Stuart.

and were the first successful operators in that industry, efforts by others in the same direction having resulted in failure or bankruptcy. In 1855–56 the manufacture of candy was discontinued, and sugar refining became the sole business of the firm. In 1872–73 the brothers retired from active business. In 1835 Robert L. Stuart married Mary, the daughter of Robert McCrea, one of the old and wealthy merchants of New York. Mr. Stuart, after his retirement from active business, devoted his time principally to works of philanthropy, in which he was most efficiently assisted by his worthy wife, whose name, like that of her husband, is found in connection with nearly every charity of New York.

In 1859 Gustav Schwab was elected a director, serving the bank to its great profit and the satisfaction and esteem of his fellow-directors, until his death in 1888.

Mr. Schwab was born in Stuttgart, Germany, November

Gustav Schwab.

23, 1822. He was the son of Gustav Schwab, a well-known writer and poet, and grandson of the mathematician, John Christopher Schwab. After graduation from the Latin School of Stuttgart, he entered the counting-house of H. H. Meier & Co., of Bremen, a large shipping and commission firm, where he served, as was the custom, an apprenticeship of six years. In 1844, as soon as his term of apprenticeship was ended, he came to New York, and entered the office of Oelrichs & Kruger, the correspondents of Meier & Co. in the United States. There he remained for several years, and until the formation of the firm of Wichelhausen, Recknagel & Schwab, importers of drugs, of which he was the junior partner, and which continued in business until 1859. Meanwhile the firm of Oelrichs & Kruger had been succeeded by that of Oelrichs & Co., and in 1859 Mr. Schwab became one of its members at the instance of Hermann C. von Post, whose sister he had

married in 1850, and so continued till the time of his death. Soon after his association with this firm it was appointed the New York agent of the North German Lloyd Steamship Company, and to the thoroughness and efficiency of his management is largely due the eminent success of that transatlantic line.

Mr. Schwab was a director, and for some time president, of the German Society, founded in 1784 for the care and assistance of his foreign fellow-countrymen in this city. He helped to found the German Hospital and Dispensary, was one of its Board of Directors, and fulfilled the arduous duties of treasurer until the fatal sickness came which terminated in his death. He was for some time a Commissioner of the Board of Education, and in all movements affecting the public welfare he took an active part. Besides the Merchants' National Bank, he was a director of the Central Trust Company, the Washington Life Insurance Company, and many other financial institutions of a like character. Mr. Schwab was one of the managers of the Produce Exchange and an active member of the Chamber of Commerce, in which organization he acted for a number of years on the Committee on Foreign Commerce and Revenue Laws. Mr. Schwab died at his residence on Fordham Heights, New York City, August 21, 1888, in the sixty-sixth year of his age.

The Civil War brought with it many difficult questions to be solved by the banks of the country. The banks of New York stood together in upholding the Government to the best of their ability, and in August, 1861, co-operated with those of Boston and Philadelphia in a plan to loan the Government $50,000,000. The portion taken by the Merchants' Bank was $1,423,000. In the following October it was necessary to advance the Government $50,000,000 more, of which the bank contributed its share. In 1863 the bank subscribed for $50,000 of the bonds of the County of New York to help along the soldiers' substitute and bounty fund ; it also bought $25,000 of the Union Defence Bonds of New York City.

The final year of the war found living expenses so high that

Jacob D. Vermilye.

salaries were again increased, chiefly by gratuities. The president's salary was made $7,000, and in 1864 a present of $1,500 was added to this, while the clerks received semi-annually a gratuity of fifteen per cent. upon their salaries. Among the assets of the bank made November 25, 1864, were the following items:

U. S. 5—20 bonds	$100,000 00
7-3/10 notes currency interest (U. S.)	17,400 00
U. S. indebtedness certificates	519,531 25
do. six per cent. coupon bonds, 1881	1,500,000 00
do. two-year five per cent. legal tender notes	1,500,000 00
Certificates of deposit Asst. Treasurer of the U. S.	750,000 00

On June 2, 1865, Jacob D. Vermilye was elected a director. Mr. Vermilye was born on July 15, 1817, in a house on John Street. His parents were of the old French Huguenot stock. In his early days the public-school system of New York was little more than an experiment, and he had the advantage of a

private school in Nassau Street, between John Street and Maiden Lane, taught by E. W. Morse. When still a boy he began his career at the foot of the ladder, entering an office in Wall Street as a clerk, and afterward entering the Merchants' Exchange National Bank. From this place he was invited into a similar but more lucrative one in the Leather Bank, where he remained for a number of years, leaving it to become the paying teller of the Branch Bank of the United States. He subsequently removed to Newark, N. J., where he became the cashier of the State Bank, which position he continued to occupy until 1854, when he became the cashier of the Newark Banking and Insurance Company. He remained in Newark until 1858, when he returned to New York as cashier of the Merchants' Bank, filling this position until his election to the presidency in 1868. His connection, therefore, with the Merchants' Bank covered a period of thirty-four years, during twenty-three of which he had been president. Mr. Vermilye was one of the originators, and at the time of his death was treasurer, of the Equitable Gas-Light Company. He was a member of the School Board from 1873 to 1890, when he resigned. He was always deeply interested in educational work, and besides taking a personal interest, he gave largely to Robert College and to the Theological School of Princeton College. For a number of years he was chairman of the executive committee of the Clearing-House Association, and occupied the position of president for the years 1872 and 1873. He was also a director of the Bank of North America, the Royal Insurance Company, the Central Trust Company, the Continental Insurance Company, and some twenty other banks and insurance organizations. He was a member of the Rev. Dr. Hall's Fifth Avenue Church, in which he held the office of elder for about thirty years. He was also a member of the Board of Home Missions, and of Foreign Missions, being a valued helper and counsel in both. As a philanthropist he was prominent in the management of the Home for Incurables in Westchester County.

CHAPTER VIII

FROM 1865 TO 1903—ORGANIZATION UNDER THE NATIONAL BANK LAW—A PRESENTATION TO MR. VERMILYE, WHO IS ELECTED PRESIDENT IN 1868—CORNELIUS V. BANTA APPOINTED CASHIER—JOHN A. STEWART AND CHARLES STEWART SMITH ELECTED DIRECTORS—ERECTION OF THE PRESENT BANK BUILDING—THE DEATH OF MR. VERMILYE AND THE ELECTION OF ROBERT M. GALLAWAY AS PRESIDENT—A COMPLETE LIST OF THE DIRECTORS OF THE BANK FROM 1803 TO THE PRESENT DAY.

ON June 17, 1865, the Articles of Association and Certificate of Organization, under which the Merchants' Bank became the Merchants' National Bank of the City of New York, were executed. The officers of the bank were directed to deposit with the Treasurer of the United States in trust for the Merchants' National Bank $1,000,000 of United States six per cent. bonds, payable in 1881. A service of plate, valued at $800, was presented Mr. Vermilye, the cashier, in recognition of his valuable services during the trying period of the Civil War, and in April of the following year he was given a six months' leave of absence, Mr. A. L. McDonald being appointed assistant cashier for that period. The inflated prices at the close of the war are reflected in a minute noting that the gratuities of the year 1867 amounted to forty-five per cent. of the salaries paid. The president, Mr. Silliman received $3,250 in addition to his salary.

In May, 1868, Mr. Silliman resigned as president, and J. D. Vermilye was elected president, Robert McCartee being appointed cashier. The salary of the president was made $10,000 a year.

On December 23, 1868, Mr. John A. Stewart, now the oldest director of the bank, was elected a director to fill the vacancy caused by the resignation of A. E. Silliman. In 1869

William A. Hadden.

the president's salary was increased to $12,000, and each director was paid $5 for attendance at the meetings of the Board. In February, 1872, Mr. C. V. Banta was appointed cashier at a salary of $5,000 a year, in place of Mr. McCartee, who had resigned.

Mr. Henry Sheldon became a member of the Board of Directors in November, 1873, and in the following January, Mr. Sherman being precluded from serving as vice-president owing to having accepted the presidency of the Mechanics' National Bank, Mr. Auchincloss was elected vice-president in his stead. Complimentary resolutions were passed at the time and it was resolved that a committee of three, consisting of the president and two senior directors (Messrs. A. T. Stewart and Auchincloss) be appointed to procure and present to Mr. Sherman a service of silver, valued at $5,000, in recognition of his valuable services to the bank as vice-president for a period of fifteen

Washington R. Vermilye.

years without compensation. In June, 1874, the president, Mr. Vermilye, whose health had been impaired by hard work during the trying times of the panic of 1873 and the subsequent financial disturbances, was granted a furlough of six months, Mr. William Barton being elected president *pro tem.* for the period of his absence. Mr. Barton was afterward elected vice-president.

The bank was called upon in April, 1876, to deplore the loss of Alexander T. Stewart, the oldest member of the Board, who during thirty-three years had contributed much to the prosperity of the institution. The Board attended his funeral in a body.

During the Centennial Exposition of 1876 the bank, which had subscribed $1,500 to the cost of the exposition, decided, at the request of Mr. John A. Stewart, to pay the expenses of the clerks in visiting Philadelphia.

William Barton.

Colonel Vermilye died in December, 1876. At the first meeting in January, 1877, the following gentlemen were elected directors:

J. D. Vermilye,
B. B. Sherman,
W. A. Hadden,
Gustav Schwab,
John A. Stewart,
J. W. Patterson,
William Barton,
Henry Sheldon,
Hugh Auchincloss,
E. A. Brinckerhoff,
Charles S. Smith.

J. D. Vermilye was elected president and Mr. Barton vice-president for the ensuing year. In his report as Bank Examiner, Mr. Charles A. Meigs remarked concerning the Merchants' Bank: "Your bills discounted are of a commercial character well scattered as to risk, and in my opinion, well selected, as shown by the unusually small amount of past due and unpaid paper. You have but a small percentage of your

John Auchincloss.

share of these last as compared with other banks and it should be a matter of congratulation with the managers of the bank that this is so; that the bank should have escaped the disasters of the past six months with so small an implication is certainly most remarkable and worthy of comment on my part." On August 1st, 1878, the capital stock of the Merchants' Bank was reduced from $3,000,000 to $2,000,000, the stockholders receiving their share in gold. At this time the bank force consisted of twenty-nine clerks; the total salary list was $37,170, which was increased by gratuities to about $41,000.

In February, 1880, the president appointed Messrs. Auchincloss, Sherman, and Schwab as a committee to confer with the Manhattan Company and the Liverpool, London & Globe Insurance Company with reference to constructing a new building on Pine Street. The Manhattan Company declined to join in the enterprise and nothing was done. Three years later, however, at a

The Bank Building before the remodelling of 1903.

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Hugh Auchincloss.

joint meeting of committees appointed by the Manhattan Company and the Merchants' National Bank, it was resolved to be for the best interests of both banks that they erect a bank building together upon their property, and Messrs. Vermilye, Auchincloss, and Schwab for the Merchants' Bank, and Messrs. Borden, McHarg, and Smith upon the part of the Manhattan Company, were appointed to recommend a building committee to carry out such a plan. During the building operations it was decided to lease the offices at No. 26 Exchange Place for banking purposes at a rental of $13,000 a year. On motion of Mr. Charles S. Smith, the building committee, consisting of Messrs. Auchincloss, Schwab, and Vermilye were given full power to have the proposed new building erected. The designs submitted by Mr. Wheeler Smith were accepted.

It was decided that, although the two banks should put up one building to be occupied as tenants in common, each should

David Dows.

convey to the other an undivided half of the land. In accordance with this resolution the property at 40 and 42 Wall Street was equally divided, the Merchants' Bank paying $2,250 to the Manhattan Company in order to equalize the holdings.

In 1883 George William Lane was elected a director. Mr. Lane was born near Red Mills, in the neighborhood of Lake Mahopac, New York, January 8, 1818, and on the borders of that lake he maintained a summer home during the latter part of his life. While still a boy he came to New York and began business in Front Street in the tea trade, which he followed with success until his death. He died at his home in New York City, December 30, 1883. For thirty years he was a member of the Chamber of Commerce. He was elected vice-president of that body May 6, 1875, and president May 4, 1882. Among the other financial institutions with which he was connected, and to which he had devoted much attention

George W. Lane.

during the later years of his life, may be mentioned the Fulton National Bank, the Seamen's Bank for Savings, the Continental (Fire) Insurance Company, the Atlantic Mutual (Marine) Insurance Company, and the Central Trust Company, of which he was one of the original incorporators.

Another director elected in 1883 was Jacob Wendell. Mr. Wendell was born in Portsmouth, N. H., in 1826. His ancestors came from Holland in the early part of the last century. Mr. Wendell had occupied an important position in the dry-goods commission business of this city since 1854, being at that time a member of the firm of J. C. Howe & Co.

The first meeting of the Board in the new banking-rooms was held July 31, 1884. In January, 1884, Mr. Henry Hilton had been elected a director. In March, 1885, it was resolved to extend the corporate existence of the bank until the close of the business on June 17, 1905.

William G. Vermilye.

On May 2, 1885, occurred the death of Benjamin B. Sherman, the oldest director of the bank, and the director who held office longer than any other during the hundred years of the Merchants' Bank's existence. Benjamin Borden Sherman was born in Shrewsburytown, Monmouth County, N. J., November 8, 1810, of English and Dutch ancestors. When eighteen years old Mr. Sherman came to New York and found employment as clerk with Charles & Owen Wardell, wholesale grocers in Front Street. In 1833 he formed a partnership with C. McCoon which lasted until 1861, when he organized the firm of Sherman, Tallman & Co. Mr. Sherman retired from active business in 1864 with an ample fortune, but by no means from work. He remained a valued counsellor in many important business corporations, such as the Merchants' Bank, the Mechanics' Bank, the Royal Insurance Company, the Mutual

Benjamin B. Sherman.

Life Insurance Company, the Central Trust Company, and a still larger number of charitable institutions, among them the Home for Incurables, the Juvenile Asylum, St. John's Guild, the Eye and Ear Infirmary, etc. Brought up in the Quaker faith, Mr. Sherman eventually became an earnest member of the Protestant Episcopal Church, serving for many years as a vestryman of Grace Church. Another serious loss to the bank was the death of Mr. Gustav Schwab, which occurred in August, 1888. Mr. Charles S. Smith was elected vice-president to fill the vacancy caused by Mr. Schwab's death. In November a son of the late Gustav Schwab, Mr. Gustav H. Schwab, was elected a director. Mr. Donald MacKay entered the Board as director in June, 1890, taking the place of the late David Dows.

In April, 1891, Mr. Robert M. Gallaway was elected director and also vice-president. Mr. Jacob D. Vermilye died on January 1, 1892, after having served the bank for more than

Henry W. Banks.

twenty-three years as president. Mr. Gallaway was unanimously elected president. In November, 1894, Mr. E. A. Brinckerhoff was elected vice-president and Henry Ward Banks a director. Mr. Banks came to New York from Connecticut when fourteen years of age, and was a clerk for Edwards & Co. in Hanover Square. Later he became a member of the firm of Rure, Case & Banks, and subsequently of Sheldon, Banks & Co., wholesale grocers. In 1880 he formed the firm of Henry W. Banks & Co. These three firms covered a business career of over forty years. Mr. Banks served in the old Volunteer Fire Department of New York for eight years, and was a member of the Forty-seventh Regiment, N. G. S. N. Y., for six years, going to the front with them, and entering the United States service in 1862. He is a director in the Market and Fulton National Bank, and also of the Citizens' National Bank, of Englewood, N. J.

C. V. Banta.

In 1895 it was decided to build, in conjunction with the Manhattan Company, three additional stories upon the bank building, at a cost of about $225,000. In 1896 Mr. C. V. Banta, who had been cashier since 1872, resigned his office and retired from active business. Mr. Banta, however, retained a semi-official connection with the bank, and an arrangement was made by which his aid and assistance could be called upon should the officers of the bank desire it. Cornelius V. Banta was born in the city of New York May 31, 1824. He entered mercantile life in 1841, as a clerk in the house of Nathaniel Weed & Co., 191 Pearl Street, where he remained until 1848, when he was engaged as a runner by the Merchants' Bank. He rose from one position to another in this bank, until his election as its cashier in 1872. Upon his retirement the directors of the bank passed the following resolution :

Whereas, Mr. Cornelius V. Banta, Cashier of this Bank, has, after nearly half a century of faithful service in connection with this institution, this day requested the Board of Directors to relieve him from the cares and responsibilities of the said office:

Now therefore, The Board of Directors, in accepting Mr. Banta's resignation, desire to place on record their high appreciation of the fidelity and integrity with which he has discharged his manifold duties.

For more than forty-eight years Mr. Banta has been connected with this institution. He has occupied, with credit to himself, every position, from the lowest to the one which he now, after an incumbency of twenty-four years, lays down. During this entire period he has been faithful and zealous in the discharge of every duty. His unfailing cheerfulness and courtesy have made intercourse with him a pleasure, not only to the members of this Board and to his associates in the Bank, but also to those who, in so great numbers during these many years, have been brought into business relations with him as an officer of this Bank.

In his retirement he carries with him the sincerest wishes of each member of this Board, that he may be blessed with many long years of contentment and happiness, in full consciousness of an honorable and well-spent business career.

DONALD MACKAY,
Secretary pro tem.

April 2, 1896.

Upon the retirement of Mr. Banta the cashiership was filled by the election of Joseph W. Harriman, who resigned in September, 1901, and was succeeded by Mr. William B. T. Keyser.

The New York Clearing-House asked, in December, 1896, that the Merchants' Bank should furnish a portrait of its late president, Jacob D. Vermilye. For the purpose of carrying out this request an appropriation of $500 was voted.

The complete list of Directors of the Merchants' Bank during its century of existence is as follows:

Oliver Wolcott.....1803	Joshua Sands.....1803–10
Richard Varick.....1803–20	Thomas Storm.....1803–13
Peter J. Munro.....1803–19	Wm. W. Woolsey.....1803–8

John Hone 1803–30
John Kane 1803–16
Joshua Jones 1803–4
Robert Gilchrist 1803
W. VanZandt, Jr..April, 1803
Isaac Bronson.....1803
Jas. Roosevelt.....1803–4
" " 1809–19
John Swartwout 1803
Henry J. Wyckoff.....1803–39
Isaac Hicks.....1803–5
Henry A. Coster.....1803–19
Isaac Cock.....1804–6
David Lydig.....1804
" " 1806–40
Garret H. VanWagenen.1804
John Taylor 1804–29
Benj. G. Minturn 1807–14
Peter Remsen.....1811–30
Jonathan Ogden.....1814–32
Richard J. Tucker.....1815–30
Benj. Strong.....1817–32
Lynde Catlin 1820–33
Samuel McCoin.....1820–23
Henry Rankin 1820–30
Jas. Heard 1820–36
Luman Reed 1825–29
W. S. Heniman 1830–36
Archibald Falconer 1830
John D. Wolfe.....1831–43
John Connelly.....1831–39
John Spring 1831–33
Benj. Aymar.....1831–58
Harvey Weed.....1831–45
Jas. Strong 1833–36
Augustus Wynkoop....1833–36
John I. Palmer.....1833–58
Jos. Walker.....1824–42
Peter I. Nevius 1837–46
Richard T. Haines 1837–46
Wm. Banks.....1837–46
Peter Harmony 1837
Jas. McCall.....1838–46
Augustus W. Hupeden.1840–41
David Maitland 1840–49
C. V. S. Roosevelt 1841–43
Conrad W. Faber 1842–54
Alex. T. Stewart.....1843–76
Wm. E. Wilmerding....1844–60
Edward F. Sanderson..1844–56
" " " ..1858–66
Peter J. Francis... 1846–48
John S. Tooker 1847–49
Benj. B. Sherman 1847–85
Wm. H. Townsend.....1847–73
John Auchincloss 1847–76
Samuel T. Carey 1849–57
Robert L. Maitland.....1850–70
Wm. A. Hadden 1850–80
Edwin A. Oelrichs.....1855–59
Augustus E. Silliman...1856
" " " ...1858–86
Robert L. Stuart.....1859–82
Gustav Schwab 1859–88
Jos. Gaillard, Jr.....1860–73
Wm. Patrick.....1860–61
Jacob D. Vermilye 1865–91
Henry Palmer 1866–70
John A. Stewart.....1868 —
Washington R. Vermilye.1871–76
Jos. W. Patterson.....1871–81
Wm. Barton 1873–82
Henry Sheldon 1873–93
Hugh Auchincloss 1876–90
Elbert A. Brinckerhoff .1877 —
Charles Stewart Smith .1877 —
David Dows 1882–90
Geo. W. Lane.....1883
Jacob Wendell.....1883–98
Henry Hilton.....1884–91
Wm. G. Vermilye.....1885–93
Gustav H. Schwab.....1888 —

Donald Mackay.....1890 —
Robert M. Gallaway....1891 —
Chas. D. Dickey ....1892 —
Middleton S. Burrill....1893–94
Henry W. Banks.....1894
Jos. W. Ogden.....1894–96
George Sherman.....1894 —
Edward Holbrook.....1896 —
Orris K. Eldredge.....1898 —
Joseph W. Harriman...1901 —

WILLIAM BALCH TODD KEYSER.

Elected Cashier 1901.

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CHAPTER IX

PRESENT OFFICERS AND DIRECTORS OF THE MERCHANTS' BANK—ROBERT M. GALLAWAY—ELBERT A. BRINCKERHOFF—JOHN A. STEWART—CHARLES STEWART SMITH—GUSTAV H. SCHWAB—DONALD MACKAY—CHARLES D. DICKEY—GEORGE SHERMAN—EDWARD HOLBROOK—ORRIS K. ELDRIDGE—JOSEPH W. HARRIMAN.

UPON the death of Mr. Vermilye, Robert Macy Gallaway was elected president. Mr. Gallaway was chosen a director, and served as vice-president of the bank from May 1, 1891, and as president from January 1, 1892. Mr. Gallaway was born in the city of New York August 4, 1837. He is of Scottish descent upon his father's side and of English descent on his mother's (Macy) side. His father, Daniel Ayres Gallaway, also born in the city of New York, was engaged in the iron business and connected with the old firm of Boorman, Ayres & Co. He educated his son at Yale College, whence he was graduated in the Class of 1858. The young man then found occupation as clerk in his father's office, and has since been actively engaged both in mercantile pursuits and as an officer of corporations. He was for ten years president of the Atlantic Dock Iron Works, a manufacturing corporation largely engaged in the manufacture of gas works; and afterward was connected with the Long Island Railroad as financial manager during the time the road was in the hands of a receiver. He was afterward president of the New York & Northern Railroad and completed the construction of the property, connecting it with the Elevated Railway at 155th Street, and the New York & New England Road at Brewsters; and by reason of his active part in the development of the elevated railroad system of the city he served as vice-president of the Manhattan Railway Company under William R. Garrison and Jay Gould for eleven years.

Elbert Adrain Brinckerhoff, vice-president, was born in Jamaica, N. Y., on November 29, 1838, and is the son of John N. Brinckerhoff, principal of Union Hall Academy there from 1837 to 1865, and grandson of Robert Adrain, LL.D., a distinguished mathematician. His ancestry is traced back to the landing of the early Dutch settlers in New Amsterdam in 1638. He graduated from the academy of which his father was principal, and was about entering college when an opportunity offered for a voyage around the world in a sailing vessel. In January, 1855, he sailed from New York for San Francisco. The unexpected charter of the vessel in San Francisco for New York, instead of China, changed his plans. Accepting an offer from a commercial house in San Francisco, he entered upon a business career, and remained in California. In 1856 the social evolution of San Francisco took place, and from May to August of that year he served as an active member of the historical Vigilance Committee which purged the city of corruption and for years after left San Francisco one of the best-governed municipalities in the United States. In February, 1858, a new position called him to Shasta, then the principal town in Northern California. While there, inducements were offered by Wells, Fargo & Co. which led him to accept the position of cashier in their bank and express office at Shasta. This place he filled from August, 1858, to August, 1859, when he returned to San Francisco, where he was placed in the cashier's department of the express company, and afterward appointed first messenger on the principal route, that is between San Francisco and Sacramento, carrying all treasure and mail passing to the seaboard from the northern mines. It was during this service that the famous Pony Express was established and Mr. Brinckerhoff carried the first packet to Sacramento, where it began its wild and dangerous trip overland. In August, 1860, after an active and eventful life in California, he returned via the Isthmus to New York, and entered the employ of the American Express Company at Albany, resigning it to accept the position of bookkeeper and cashier in the

SAMUEL S. CAMPBELL, ASSISTANT CASHIER OF THE MERCHANTS' NATIONAL BANK, WAS BORN ON HIS FATHER'S FARM NEAR NEW BRUNSWICK, N. J.—WHEN A LAD, HIS PARENTS MOVED TO MONMOUTH COUNTY, N. J., WHERE HE RECEIVED HIS EARLY EDUCATION IN THE PUBLIC SCHOOLS, GRADUATING FROM THE FREEHOLD HIGH SCHOOL IN JUNE, 1883. THE SAME MONTH HE ACCEPTED A CLERKSHIP WITH THE FREEHOLD & NEW YORK RAILROAD COMPANY, AT FREEHOLD, N. J., WHERE HE REMAINED UNTIL JULY 15, 1885, WHEN HE ENTERED THE FIFTH AVENUE BANK OF NEW YORK AS A MESSENGER. WHILE WITH THIS WELL-KNOWN INSTITUTION HE WORKED HIS WAY UP THROUGH THE DIFFERENT DEPARTMENTS. ON APRIL 23, 1896, HE WAS APPOINTED TO HIS PRESENT POSITION.

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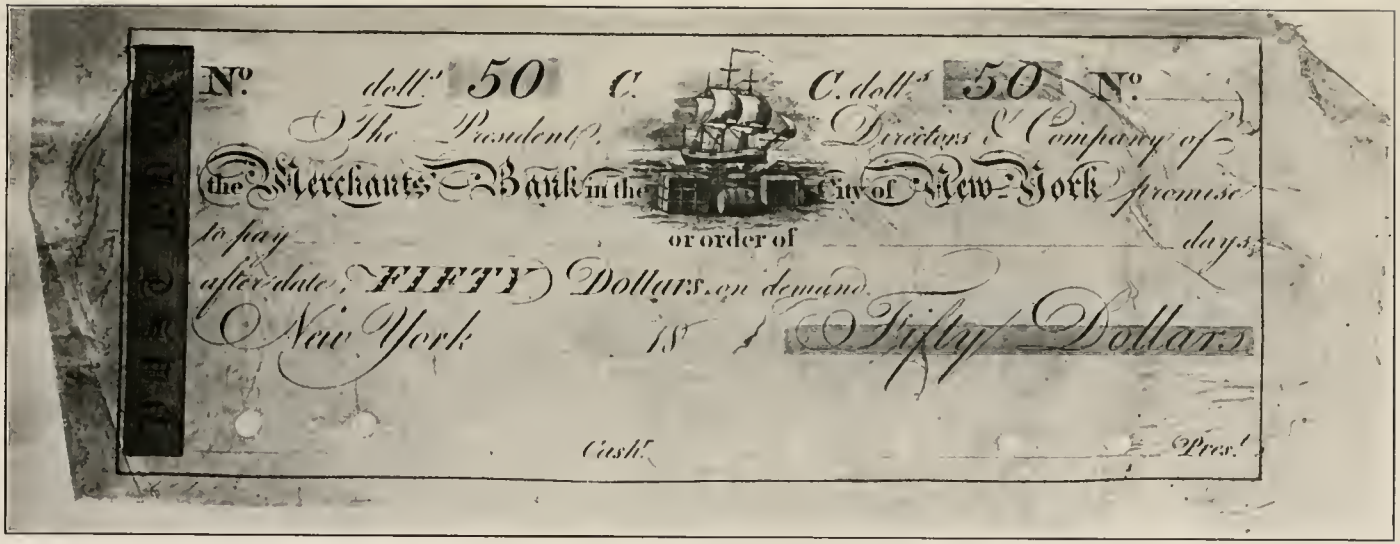
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The President, Directors & Company of
the Merchants Bank in the City of New-York promise
to pay
or order of
days
after date, FIFTY Dollars on demand.
New York 18
Fifty Dollars
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house of Fox & Polhemus, of 59 Broad Street in this city, then the leading commission merchants and manufacturers of cotton duck in this neighborhood. In 1865 he became a partner in the house, and a few years later, owing to deaths and retirements, the senior partner. Since 1870 the house has been known as Brinckerhoff, Turner & Co. After more than twenty-five years in the manufacture and selling of cotton duck Mr. Brinckerhoff retired in 1887 from an active interest, withdrawing entirely in 1890. His connection with benevolent institutions and business corporations make large demands upon his time, calling for active work and keeping him constantly employed.

John Aikman Stewart, the senior member of the Board of Directors of the Merchants' National Bank, was born in Fulton Street, New York City, August 22, 1822. His father emigrated from Scotland and settled in New York, where for many years he was one of the Assessors of the 12th and 16th Wards, and afterward Receiver of Taxes. John A. Stewart received his preliminary education in Public School No. 15, in East Twenty-second Street, afterward entering Columbia College, whence he was graduated in 1840. In 1842 he was appointed clerk to the Board of Education, and continued in that position until 1850, when he became actuary of the United States Life Insurance Company, which position he resigned in 1853 to accept the office of secretary of the United States Trust Company, then chartered by the Legislature chiefly through the efforts of Mr. Stewart. In 1864 he was appointed by President Lincoln Assistant Treasurer of the United States. At the close of the Civil War, upon the resignation of Mr. Joseph Lawrence, president of the United States Trust Company, Mr. Stewart was unanimously elected to succeed him, and resigned the Assistant Treasurership in order to accept. This position, one of the most important in the financial world of New York, Mr. Stewart held until last year, when he relinquished it to become chairman of the Board of Directors. Mr. Stewart is a director in the Equitable Life Assurance Society, the Liver-

pool, London & Globe Insurance Company, the Bank of New Amsterdam, the Greenwich Savings Bank, the New York Eye and Ear Infirmary, a trustee of the John A. Slater Fund, and has also been for many years an active trustee of Princeton College. He is a member of the Brick Presbyterian Church and one of its Board of Trustees, and a member of the Union League and Metropolitan Clubs. Mr. Stewart served as one of the executive committee of the "Committee of Seventy" of 1895.

Charles Stewart Smith, a director of the bank since 1877, and for several years its vice-president, was born at Exeter, N. H., March 2, 1832. His ancestors came from England and settled in the valley of the Connecticut in 1641. His mother was a daughter of Aaron Dickinson Woodruff, of Trenton, N. J., a distinguished lawyer, for many years Attorney-General of that State. His father was a minister of the Congregational Church at Exeter. When fifteen years of age Mr. Smith came to New York to become clerk in a dry-goods jobbing house. At the age of twenty-one he became a partner in the house of S. B. Chittenden & Co., and for several years was their resident European buyer. He afterward organized the dry-goods commission house of Smith, Hogg & Gardner, which succeeded to the business of A. A. Lawrence & Co., of Boston, an important firm, largely interested in the development of the manufacturing interests of Lowell, Mass. For over a quarter of a century Mr. Smith was identified with the dry-goods commission business in New York and Boston. For many years, even before his retirement from active business, Mr. Smith was known as one of the most influential members of the Chamber of Commerce, of which institution he has been vice-president and president. He was one of the founders of the Fifth Avenue Bank and of the German-American Insurance Company. At the present time Mr. Smith is a director in the Equitable Life Assurance Society, the Fourth National Bank, the Fifth Avenue Bank, the United States Trust Company, and the Greenwich Savings Bank. He is also one of the directors of the

Interior of the Bank. (Office.) From a flashlight photograph taken in 1903.

Interior of the Bank, looking from office. From a flashlight photograph taken in 1903.

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Presbyterian Hospital, Woodlawn Cemetery, a leading member of the Union League Club, and a member of the Century Association, the Merchants' Club, the Metropolitan Club, and the Metropolitan Museum of Art. For many years Mr. Smith, who is a veteran traveller, has taken a keen interest in art and literary matters. His collection of paintings is one of the best in the city. He was a vice-president of the City Vigilance League, and was chairman of the executive committee of the "Committee of Seventy" of 1895.

Gustav H. Schwab was born in New York May 30, 1851, and after attaining the age of thirteen years was sent to Stuttgart, Germany, to finish his education in the Gymnasium or Latin School of that city. After a period of four years spent in study he entered the business of the firm of H. H. Meier & Co., in Bremen, for the purpose of securing a commercial training, remaining there five years. He then returned to this city, and in the year 1876 entered his father's firm, of Oelrichs & Co., importers and agents for the North German Lloyd Steamship Company. Mr. Schwab succeeded his father in 1888 as a director in the Merchants' National Bank, of which institution the father had been a valued member of the Board of Directors since 1859. Mr. Schwab has been president of the German Society of the city of New York during the last thirteen years, in which quality he has been in former years an ex-officio member of the former State Board of Immigration, but has never held any other political office. The German Society, of which Mr. Schwab is president, was founded in the year 1784 by his great-great-grandfather, the Rev. John Christopher Kunze. Mr. Schwab is a director of the United States Trust Company, of the Atlantic Mutual Insurance Company, and of the Produce Exchange Safe Deposit Company. He is chairman of the Committee on Foreign Commerce and the Revenue Laws of the Chamber of Commerce of the State New York, and was a member of the executive committee of the "Committee of Seventy." He is also interested in public and charitable institutions, and is a member of the Metropolitan, Century,

City, Tuxedo, Yacht and German Clubs, and of the Liederkranz Society.

Donald Mackay was born in Brooklyn, N. Y., December, 1840. He became a clerk in the office of Vermilye & Co. in 1861, and in 1869 was admitted to a partnership in that firm, with which he has been connected for more than forty years. Mr. Mackay was president of the New York Stock Exchange for two terms—1880, 1881. He is president of the New York Stock Exchange Building Company, the legal title of the company, which holds all the real estate of the Stock Exchange, including its safe-deposit vaults. He has been acting vice-president of the Northern Pacific Railroad Company and was for many years a director in the Manhattan Elevated Railway Company. Mr. Mackay is president of the Citizens' National Bank, of Englewood, where he has lived for many years. He is also a member of the Union League Club, the Downtown Club, Englewood Club, the Chamber of Commerce, the American Geographical Society, and one of the Board of Managers of the Presbyterian Hospital.

Charles Denston Dickey, elected a director in 1892, was born at Mobile, Ala., in 1860. He was graduated from Harvard University in 1882, and entered the banking-house of Brown Brothers & Co., with which firm his father was connected for upward of sixty years. Mr. Dickey is at present a partner in their New York house and is also a director of the Mutual Life Insurance Company, the Greenwich Savings Bank, and trustee of several other corporations and trust companies in this city.

George Sherman was born in New York City, in April, 1854, and is son of Benj. B. Sherman, who was a director in this bank for thirty-eight years. Mr. Sherman graduated from Columbia University in 1875 and entered the Central Trust Company the same year, and was elected a trustee and vice-president of that company in 1884. He is a director in the Second National Bank and a trustee in the German Savings Bank.

The Bank Building in 1903 after remodelling.

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Edward Holbrook was born in Bellingham, Mass., near Boston, June, 1849. He was educated in the public schools of Massachusetts, and commenced business in Boston in 1865. He became associated with the Gorham Manufacturing Company in 1870, and has since then been continuously connected with that company. Mr. Holbrook became general agent of the company at New York in 1875, taking at that time general charge of the sales department and financial department in this city, continuing to hold such offices and perform such duties until he became the treasurer of the company in 1887, and president in 1894. He has held the offices of president and treasurer from that date up to and including the present time. At the present time, besides being a director in the Merchants' Bank, Mr. Holbrook is trustee of the Lincoln Trust Company, the Rhode Island Hospital Trust Company, of Providence, R. I., the Garfield Safe Deposit Company, the American Brass Company, the General Fire Extinguisher Company, and the Gorham Manufacturing Company.

Orris K. Eldredge is the senior partner of the dry-goods commission house of Eldredge, Lewis & Co., New York and Boston, one of the foremost houses in the trade. Mr. Eldredge was born in Chatham, Mass., April 10, 1842, but received his education and spent the early part of his business life in Boston, Mass., whither his parents removed in 1845. At the age of sixteen he entered his first employment, beginning with the wholesale woollen house of Wilkinson, Stetson & Co., Milk Street, Boston. When the firm was succeeded by Wilkinson, Lamb & Co., Mr. Eldredge continued with the latter and with the subsequent house of Lamb, Sawyer & Co. Early in his career he had been made a salesman, and proved so successful in that capacity that Lamb, Sawyer & Co. gave him an interest in their business. In 1867, at twenty-five years of age, Mr. Eldredge came to New York, being intrusted with the charge of the New York branch of Lamb, Sawyer & Co. The following year that house dissolved, but Mr. Eldredge's services were speedily secured by Wheelwright, Anderson & Co., of

Boston, who appointed him their New York representative. The next step was an admission to partnership in that concern, when John F. Anderson retired in 1888, and the firm became Wheelwright, Eldredge & Co. In October, 1901, it took its present title of Eldredge, Lewis & Co., with Mr. Eldredge at its head, and with the chief offices in New York City. The interests of the house are large and varied, but the senior partner has a comprehensive grasp of the details of each department, and is as assiduous in his business to-day as when he was winning his way upward. The recognition of Mr. Eldredge's qualities as a man of business and a citizen has not been confined to his immediate business circles. The Chamber of Commerce of New York elected him a member of that body, a position afterward resigned. In religious and charitable work in Brooklyn, where he resides, Mr. Eldredge takes an active interest. He is a member of the Board of Managers of the Methodist Episcopal Hospital, and of the Board of Directors of the Young Men's Christian Association of that borough, and is also well known as an influential member of the Church.

Joseph W. Harriman was born in Belleville, N. J., January 31, 1867. He was graduated from Stevens Institute of Technology, and from the Charlier Institute, New York, and entered the United States National Bank in 1885, resigning the assistant cashiership of that institution to accept the assistant cashiership of the Merchants' National Bank in 1894. He succeeded C. V. Banta as cashier of that institution in 1896, resigning that position in 1901 to enter the banking-house of Harriman & Co., which firm was established by his father, J. Neilson Harriman, and Edward H. Harriman in 1869.

William Balch Todd Keyser, the cashier of the Merchants' National Bank, was born in Washington, D. C., September 7, 1861. He is a nephew of the late John Jay Knox, formerly Comptroller of the Currency, and president of the National Bank of the Republic of New York City. Mr. Keyser was educated in Washington, afterward entering Columbia Univer-

sity, whence he was graduated in 1878. He was admitted to the bar, but soon turned his attention to banking, becoming Special National Bank Examiner for the Southern District, including the Southeastern States, and afterward, for seven years, Assistant State Bank Examiner of Minnesota. In 1889 he came to New York, and after serving as cashier of the National Bank of the Republic, was, in 1901, elected cashier of the Merchants' National Bank. He is a member of the Union League, Lawyers', New York Athletic, and Bedford Park Clubs, and also of the Chamber of Commerce.

The officers of the bank from the beginning have been as follows:

PRESIDENTS.

Oliver Wolcott	1803–1804
Joshua Sands	1804–1808
Richard Varick	1808–1820
Lynde Catlin	1820–1833
John I. Palmer	1833–1858
Augustus E. Silliman	1858–1868
Jacob D. Vermilye	1868–1892
Robert M. Gallaway	1892 to present time

VICE-PRESIDENTS.

Samuel T. Carey	1852–1857
Edwin A. Oelrichs	1858–1859
Benjamin B. Sherman	1859–1876
William Barton	1876–1880
Hugh Auchincloss	1880–1887
Gustav Schwab	Died Aug., 1888
Charles S. Smith	Sept., 1888–1891
Robert M. Gallaway	1891–1892
Elbert A. Brinckerhoff	1894 to present time

CASHIERS.

Lynde Catlin	1803–1816
G. B. Vroom	1816–1824
Walter Mead	1824–1838
O. J. Cammann	1838–1852

Augustus E. Silliman.....1852–1856
Jacob D. Vermilye.....1858–1868
Robert McCartee.....1868–1872
Cornelius V. Banta.....1872–1896
Joseph W. Harriman.....1896–1901
William B. T. Keyser.....1901 to present time

ASSISTANT CASHIERS.

Alexander L. McDonald.....1866–1889
James G. Baldwin.....1889–1893
Joseph W. Harriman.....1894–1896
Samuel S. Campbell.....1896 to present time

CHAPTER X

FOUR BANKS WHICH HAVE HAD CONTINUOUS RELATIONS WITH THE MERCHANTS' OF NEW YORK FOR A CENTURY—THE PHILADELPHIA BANK—THE NEW YORK STATE BANK OF ALBANY—THE HARTFORD BANK—THE NEWARK BANKING AND INSURANCE COMPANY.

IT has already been mentioned that in October, 1803, a letter was received from the president of the Philadelphia Bank proposing the establishment of a mutual redemption of notes, which proposition was accepted. Thus began relations which have lasted for nearly one hundred years. In connection with its centennial, the Merchants' National Bank received the following letter:

CAPITAL, $1,500,000. SURPLUS, $1,750,000.

THE PHILADELPHIA NATIONAL BANK

N. PARKER SHORTRIDGE, President.
LINCOLN GODFREY, First Vice-President.
L. L. RUE, Second Vice-President and Cashier.
H. J. KESER, Assistant Cashier.
WM. SHERWOOD, Auditor.

PHILADELPHIA, November 17, 1902.

MR. R. M. GALLAWAY, *President*,
Merchants' National Bank, New York City.

DEAR SIR: Your letter of the 13th instant, in regard to the celebration of your Centennial on June 2d next, is duly received.

We assure you that it is no small matter of pride with us that The Philadelphia Bank is but two months the junior of your time-honored Institution. This Institution was modelled as to its methods of doing business after your Bank, and the conservative policy, which has characterized your Institution, has become a part of the very life and fibre of our own Bank. Doubtless the officers of our respective Institutions, in the

dark and trying days of the early Republic, met and held counsel as to providing ways and means for the sustaining of the young Republic. These facts are borne out by the records of our Minutes, which indicate that the Banks of New York and Philadelphia contributed liberally to the needs of the Nation, during these times of financial peril and distress.

We give you a condensed sketch of the History of our Bank, and limiting it to the space which you desire, it must necessarily be an imperfect account of a rich and honored history, interwoven, as it has been, with the development of our City, State, and Nation.

Yours very truly,

L. L. RUE, *Vice-President.*

THE PHILADELPHIA NATIONAL BANK

On August 3, 1803, a number of the most prominent business men of Philadelphia met and organized The Philadelphia Bank. The proposition to establish this new bank met with the violent opposition of The Bank of Pennsylvania, which bank offered to pay the sum of $200,000 to the State of Pennsylvania, provided another bank should not be incorporated. Notwithstanding this opposition, the subscription books to the capital stock of The Philadelphia Bank, which was fixed at $1,000,000, were opened on August 8, 1803, and the amount was at once largely over-subscribed. On August 18, 1803, Mr. George Clymer, one of the signers of the Declaration of Independence from Pennsylvania, was elected first President of The Philadelphia Bank, and Mr. James Todd, Cashier.

The bank opened its doors to the public on September 19, 1803, and at once enjoyed the confidence of the business community to a marked degree. A Charter, however, was not obtained from the Governor of Pennsylvania until March 17, 1804, owing to the continued opposition of The Bank of Pennsylvania. On May 21, 1806, The Philadelphia Bank moved its banking-room to the site on the southwest corner of Fourth and Chestnut Streets, and in 1837 erected jointly with

the Bank of the United States a large, imposing building at the same location. The bank continued to prosper, and even during and following the trying days of the War of 1812, continued to pay regular dividends to its shareholders. Again, during the dark days of the Civil War, The Philadelphia Bank manifested its loyalty, by a ready response to the appeals of the State and Nation for financial assistance.

This Bank has always occupied a foremost position among the great financial institutions of the country, and now has deposits aggregating $30,000,000, with a capital stock of $1,500,000, and surplus and undivided profit account of over $2,000,000. It has paid to its shareholders dividends aggregating upward of $14,000,000.

Its present officers are as follows:

N. Parker Shortridge, *President.*
Lincoln Godfrey, *First Vice-President.*
Levi L. Rue, *Second Vice-President and Cashier.*
H. J. Keser, *Assistant Cashier.*

In December, 1803, the New York State Bank of Albany, N. Y., also became a correspondent of the Merchants' Bank, and so remains to this day. The following letter explains itself:

LEDYARD COGSWELL, President. W. B. VAN RENSSELAER, Vice-President. WILLIS G. NASH, Cashier.

NEW YORK STATE NATIONAL BANK
ALBANY, NEW YORK.

CAPITAL, - - $250,000
SURPLUS, - - 350,000
$600,000

Albany, July 25, 1902.

Robert M. Gallaway, Esq., *President*,
Merchants' National Bank, New York.

Dear Sir: I am in receipt of yours of the 24th inst., with regard to the centennial of your bank and ours, which occurs next year. I feel quite sure that the hundred years of uninterrupted correspondence which has run between us is unique in

American banking history and rare in any line of business, and is, therefore, worthy of note in any proceedings that either of us may have in celebration of the completion of our century of existence.

With best wishes and personal regards, I remain,

Very truly yours,

WILLIS G. NASH,
Cashier.

THE NEW YORK STATE NATIONAL BANK.

In another letter upon the same matter, Mr. Cogswell, the president of this bank, in writing to Mr. Gallaway, says: "We can assure you that there still remains, and always will, we believe, a very close connection not only in the business matters of the two banks, but also in the hearts of their officers."

The New York State National Bank of Albany is the oldest and one of the most active, progressive, and conservative banking institutions in the Capital City, while its officers and directors have always been prominent in city and State life.

This bank was chartered in 1803 by special act of the Legislature. The following men, prominent in Albany's history, were the organizers: John Taylor, Elkanah Watson, Peter Gansevoort, Jr., John Robison, Gilbert Stewart, Thomas Tillotson, John D. P. Douw, Thomas Mather, John R. Bleecker, Francis Bloodgood, Richard Lush, Abram G. Lansing and Elisha Jenkins. The Board of Directors met on March 25, 1803, in what was then known as the "Old Coffee House," to complete their organization, and immediately took steps to purchase a site and erect a banking-house. The present edifice was occupied for the first time September 6, 1803, which record makes it the oldest banking-house now standing in this country which has been continuously used for banking purposes. The building was designed by Philip Hooker, who was the architect of the old State Capitol, now torn down, and of the old Albany Academy building, which is still standing. The Bank and the Academy are two of the finest examples of Colonial architecture now in existence. Its centennial year will

be marked by the construction of a new banking-house behind the handsome façade of the old structure.

The State Bank's original charter expired in 1853, when it was reorganized under the General Banking Law of the State with a capital of $350,000. In 1865 it became a National bank. During its existence of a century this bank has had but six presidents and seven cashiers. John Taylor, the first president, was succeeded in order by Francis Bloodgood, Rufus H. King, Franklin Townsend, J. Howard King and Ledyard Cogswell. The first cashier, John W. Yates, was succeeded in order by Richard Yates, A. D. Patchin, Josiah B. Plumb, John H. Van Antwerp, Daniel W. Wemple and Willis G. Nash. The present officers are: President, Ledyard Cogswell; vice-president, William Bayard Van Rensselaer; cashier, Willis G. Nash; assistant cashier, Laurence H. Hendricks. The records of the minutes of the State Bank show that on October 26, 1803, the president laid before the Board letters from the president of the Bank of the Manhattan Company, the Merchants' Bank and the Bank of New York, regarding the intercourse proposed between the State Bank and those banks. The Board of Directors acted by authorizing the sending of $20,000 in specie to the Merchants' Bank of New York City as its first deposit. The connection thus begun has continued with uninterrupted confidence and courtesy during the successive administrations of its officers.

THE HARTFORD NATIONAL BANK.

In May, 1805, the Hartford Bank became one of the correspondents of the Merchants' Bank of New York.

The Hartford Bank was established in 1792, during the first term of the first President of the United States. The original capital was $100,000, it being increased from time to time until in 1816 it stood at $1,212,800. Its stockholders having been selected from among the leading citizens of Hartford and vicinity, the Hartford Bank was the centre from which radiated influences most potent in up-building the community it served.

Its early history was largely that of Hartford and Connecticut. Its credit was illustrated by the popular phrase, "as strong as the Hartford Bank." In special dignity and historical importance it has to-day but few rivals among the banks of the United States, and its record of 111 years of continuous life and prosperity justifies the wisdom and honors the memory of its distinguished founders.

Jeremiah Wadsworth, an intimate and honored associate of Alexander Hamilton, Robert Morris, and other brilliant contemporaries, was practically the founder of the bank. John Caldwell was the first president, and Hezekiah Merrill the first cashier. In 108 years the bank had but six presidents, three of them having a combined service of seventy-five years. In September, 1900, Harold W. Stevens was elected as the seventh president, succeeding the late James Bolter. He has as associate officers William S. Bridgman, second vice-president; Frank P. Furlong, cashier, and William S. Andrews, assistant Cashier.

The Hartford Bank entered the National system in 1865, and to-day has a capital of $1,200,000, with surplus and profits of more than $700,000. As a National bank it has paid to its stockholders in dividends $3,967,008, in addition to its accumulation of undivided profits. In capital and surplus profits it is to-day the largest National bank in New England outside of Boston.

THE NATIONAL NEWARK BANKING COMPANY.

In May, 1803, the Newark Banking and Insurance Company, of Newark, N. J., began business relations with the Merchants' Bank that have lasted through the century. The Newark Bank was chartered February 17, 1804, by the first bank charter granted by the State of New Jersey, and is therefore the oldest bank in the State. It began business July 30, 1804, and has for its whole existence been located on the corner of Broad and Bank Streets. The ostensible purpose of the charter was to provide for the business of fire insurance; but this

object was not attained, very few policies having been issued. Almost immediately after the charter of the bank the "New Jersey Associates" applied for a bank charter for Jersey City. The directors of the Newark Bank remonstrated, reminding the Legislature that it had given this bank East Jersey as its territory, so the new bank was chartered as a branch of this bank, with title of "The Jersey Bank," and transacted business for six years. There is still in existence the ancient and yellowed indenture between the two boards of directors regulating the conduct of the business. The bank has always given great attention to collections, and has always had a large proportion of the New York City banks' accounts, having collected for many since their origin. The bank has been so managed, and its course has been so steady and successful, that it has the very exceptional record of having, for the long term of ninety-eight years, never omitted its regular half-yearly dividend, never at a less rate than legal interest, while it has made frequent extra and special dividends. Its history covers several wars, with their resulting business embarrassments, and many panics and suspensions of specie payments, but it has passed through all without disaster. During the Civil War and the long suspension from 1861 to 1879 it, like nearly all the other banks, made large earnings, large losses, and yet paid heavy taxes and large dividends. In June, 1902, the bank amalgamated with the Newark City National Bank, still retaining its own title, increasing its capital to $1,000,000 and its surplus to a larger sum. The officers of 1804 were: Elisha Boudinot, president, and William Whitehead, cashier. The officers of to-day are: E. S. Campbell, president; David H. Merritt, vice-president; Albert H. Baldwin, second vice-president and assistant cashier, and H. W. Tunis, cashier.

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MAP OF THE CITY

NEW YORK IN 1803.

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APPENDIX

OFFICERS AND CLERKS, 1803

President, OLIVER WOLCOTT. *Cashier*, LYNDE CATLIN.

TELLERS

Peter Stymets, First. Joshua C. Sands, Second.

BOOKKEEPERS

Ralph Thurman, First. Waters Smith, Second.

DISCOUNT CLERKS

Joseph Poole, First. Joseph Osborne, Second.

RUNNER

William H. Jephson.

ASSISTANT CLERKS

John Stebbens Jacob C. Arthur.

PORTERS

Thomas Blunt, First. Peter Thompson, Second.

APPENDIX

OFFICERS AND CLERKS, 1903

President, ROBERT M. GALLAWAY.
Vice-President, ELBERT A. BRINCKERHOFF.
Cashier, WILLIAM B. T. KEYSER.
Assistant Cashier, SAMUEL S. CAMPBELL.

Year of entrance.

1860 Nelson Todd, Discount Clerk. (Employed elsewhere from 1872 to 1885.)
1868 Clinton B. Price, General Bookkeeper and Transfer Clerk.
1895 O. Edward Paynter, Loan Clerk.

TELLERS

1899 Albert S. Cox, Paying.
1882 Henry E. Van Roden, Receiving.
1887 James A. Cook, Note.

ASSISTANT TELLERS

1899 Arthur W. McKay.
1899 Herbert V. P. Allen.
1897 Daniel Toffey.
1898 Richard A. C. Seaman.

BOOKKEEPERS

1893 Henry D. Holloway, Banks.
1894 Burtis W. Van Hennik, Collections.
1872 Philip E. Dolan, Individuals.
1891 Dudley M. Smith, Individuals.

ASSISTANT BOOKKEEPERS

1894 Irving S. Gregory.
1894 Fred C. Squire.
1900 John F Gilmore.

CHECK CLERKS

1889 John A. Noble.
1900 Thomas Fairservis.
1900 DeWitt C. Peek.
1892 Aaron W. West.
1900 James A. Maxwell.
1902 John J. McGovern.

APPENDIX

Year of entrance.

CORRESPONDENCE DEPARTMENT

1873 Augustus Winters.
1894 W. Sherman Pulsford.
1897 Richard P. Martinez.
1901 Walter B. Taylor.
1898 W. Clarence Allan.
1901 Millard E. Stroker.
1902 William H. Berth.

CREDIT DEPARTMENT

1897 Robert B. Minis
1880 William J. Sageman.

COUPON DEPARTMENT

1896 Frank J. Page.
1896 Edward E. Stolbrand.

CITY COLLECTIONS

1885 Joseph White, Register.
1883 John R. Weed.
1902 George M. Ferrie.
1902 Leonard Niedrach.
1902 Fred. W. Baldwin.
1902 George A. Kellogg.
1903 William T. Uncles.

STENOGRAPHERS

1901 Miss Emily M. Doon.
1902 Miss Mae A. Phair.

TELEPHONE EXCHANGE

1903 Herman Bullwinkel.

1894 Christopher Smith, Detective.
1898 John A. Hyland, Porter.
1882 Thomas Sparrow, Messenger.

RETIRED

Cornelius V. Banta, 1848–1896
Zachariah Mead, 1874–1903
William Brouwer, 1872–1903
Samuel R. Whiley, 1880–1902

APPENDIX

CAPITAL STOCK, 1803	$1,250,000.00	
Increased gradually until in 1814 it was	1,490,000.00	
At which figure it remained until 1858, when another gradual increase was made ending in 1865, with a capital of	3,000,000,00	
This capitalization was continued until August, 1878, when it was reduced to the present figure	2,000,000.00	
The Average Capital for the Century	1,881,137.50	
On this Capital we have paid to our Stockholders in Dividends a total of		$14,765,162.51
We have paid in State and Municipal Taxes		3,244,945.94
And in National (or Internal Revenue) Taxes		1,060,463.33
While, as has been stated previously in this book, our taxes for the year 1803, National, State, City and County were		43.75
Our taxes for 1902 were		51,892.55

The Dividend paid for year 1803 was at the rate of six per cent. per annum, which for 1805 was increased to eight per cent. This was increased in 1807 to nine per cent., at which rate it remained for many years. In 1822 it was reduced to six per cent., continuing at that rate till 1834, when increases were begun again and continued until 1850, when we paid ten per cent. per annum for many years. After some further fluctuations we began in 1878 paying at the uniform rate of seven per cent. per annum, which rate is still maintained.

The last report of the Merchants' Bank that can be included in the present volume is as follows:

REPORT OF THE CONDITION OF

THE MERCHANTS' NATIONAL BANK,

of New York, in the State of New York, at the close of business April 9th, 1903.

RESOURCES			LIABILITIES		
Loans and Discounts		$12,112,778.83	Capital stock paid in		$2,000,000.00
Overdrafts, secured and unsecured		2.86	Surplus fund		1,000,000.00
U. S. bonds to secure circulation		50,000.00	Undivided profits, less expenses and taxes paid		355,412.11
Stocks, securities, etc		271,230.14	Due to other National banks	$6,559,805.48	
Banking-house furniture and fixtures		995,257.34	Due to State banks and bankers	430,865.98	
Due from National banks (not reserve agents)		1,156,938.92	Due to trust companies and savings banks	2,993,902.66	
Due from State banks and bankers		46,492.05	Dividends unpaid	152.25	
Checks and other cash items		16,875.13	Individual deposits subject to check	6,018,344.79	
Exchanges for Clearing-house		1,784,285.23	Demand certificates of deposit	6,705.55	
Notes of other National banks		49,460.00	Certified checks	328,783.39	
Fractional paper currency, nickels and cents		1,943.70	Cashier's checks outstanding	218,865.34	
Lawful money reserve in bank, viz.:					16,557,425.44
Specie	$2,294,073.35				
Legal tender notes	1,133,500.00				
		3,427,573.35			
Total		$19,912,837.55	Total		$19,912,837.55

State of New York, County of New York, ss.:

I, W. B. T. KEYSER, Cashier of the above-named bank, do solemnly swear that the above statement is true to the best of my knowledge and belief. W. B. T. KEYSER, Cashier.

Subscribed and sworn to before me this 13th day of April, 1903. O. E. PAYNTER, Notary Public.

Correct—Attest: ROBERT M. GALLAWAY, JOHN A. STEWART, CHAS. D. DICKEY, } Directors.

LIST OF STOCKHOLDERS AT ORGANIZATION OF BANK IN 1803

	Shares
Oliver Wolcott	400
Richard Varick	475
Peter Jay Munroe	400
Joshua Sands	400
Thomas Storm	400
William W. Woolsey	400
John Hone	400
John Kane	400
Joshua Jones	400
Robert Gilchrist	400
Isaac Bronson	400
James Roosevelt	400
John Swartwout	400
Henry I. Wyckoff	400
Isaac Hicks	400
Henry A. Coster	500
James Haydock, Jr.	25
Smith & Wyckoff	100
John A. Robertson	20
Abraham King	25
John Nicoll	25
Frederick Davone	40
Jacob Mott	40
G. Smith & Co.	40
Beach, Bussing & Hook	10
Isaac Bell	50
Daniel L. Coit	125
Charles L. Cammann	100
Jacob & Thomas Walden	30
Coertland V. Beuren	25
Robert Troup	100
John Stoutenburgh	30
William Simmons	25
Abraham Ogden	200
Cargill & McCoun	145
Franklin Robinson & Co	75
John Towt	25
John Cornell	40
Cromwell & Waring	25
E. Dunscowitz	25
Benjamin Pell & Son	40
Nicholas Van Antwerp	25
David Stebbins	30
Charles Wright	400
Jordan Wright	40
Henry M. Van Solingen	25
Nicholas Fish	50
Garrit B. & John Abeel	50
Isaac Cock	40
Thomas Rotch	100
Thomas E. Rumsey	25
John Haggerty	40
Peters & Gedney	25
Austin & Andrews	25
William Moore	25
Kelly & Mollan	25
Peter Ludlow	40
Silvanus F. Jenkins	20
Thomas H. Smith & Son	25
David V. Smith	10
James H. Kip	100
Moses Drake	20
William Hicks	25
Silas Hicks	25
John C. Freek	40
Thomas Carpenter	25
Bements Gale	25
Cotheal & Bailey	20
John Flack	25
George Gosman	80
James & Richard Loines	25
John Forsyth	15
Daniel D. Tomkins	25
Theodosius Fowler	400
John Mason	65
Mason & Smedes	50
Panton & Bradford	50
Theodore & Heman Ely	40
Thomas Lawrance	40
Samuel Cornell & Co.	25

APPENDIX

	Shares
Willett Seaman & Sons	95
Isaac Wright	40
William R. Thurston	40
Joshua Barker	25
Abraham Brinckerhoff	50
A. L. Underhill	40
Stephen B. Munn	40
Morrison & Nixon	20
William Stilwell	25
Amasa Jackson	100
Byrd & Barrow	40
George Clark	25
Bailey & Panton	40
John Brazier	100
John & Jacob Drake	40
August Wright	25
Israel Haviland	15
P. & M. Mesier & Co	50
Stephen Hitchcock	5
Charles Duryee	50
Richard R. Lawrence	40
Rich & Thomson	40
William Barlow	65
P. & E. Ferris	40
Caldwell & Foote	40
Thomas Leggett	25
William & Silvester Robinson	65
John Ellis	125
F. & C. Babcock	25
Thomas Harvey	40
James Watson	100
George Ludlow	25
Isaac Pierson	25
Abraham Valentine	25
John F. Suydam	50
Robert McCullen	95
James Manning	100
Abraham Prall	25
Henry Titus	20
Bethune & Smith	40
Andrew Cock & Co	40
Jacob Valentine	30
Thomas Walker	150
Francis Thompson	150
Oliver Coles	125
Richard Berrian	25
Hiller & Baker	25
Duryee & Heyer	95
Henry Laverty	25

	Shares
I. & J. Robins	25
Francis Cooper	75
Walter Mitchell	40
William Cunningham	25
Nehemiah Denton	25
Robert H. Bowne	65
William Whitlock	10
Hackley & Fisher	25
Kind & Talbot	40
Joseph Hopkins	40
John Powell	50
Benjamin & Joseph Strong	75
Wright Post	25
Willet Hicks	25
John Sledell, Jr., & Co	25
Walter Nicholas & Son	25
Voris & Buckle	25
Richard Williamson	25
Paulding & Irving	25
Secor & Moore	25
Samuel Mansfield	40
Franklin & Newbold	40
Israel Underhill	25
Morris & Skinner	25
Peter Dustan	30
Moses Rogers	75
John Moore	100
Allen Shepard	40
John D. Martin	25
Jehiel Jaggar	35
Kimberly & Waring	25
Anthony & Robert S. Bartow	25
Beach & Bussing	20
Jones & Porter	25
Abraham Baudouine	40
Samuel & Valentine Hicks	95
Cornelius C. Roosevelt	25
David Lydig	75
John Davenport, Jr	40
Voorhees & Van Antwerp	25
John M. Goetschins	125
I. Prall	25
Henry Suydam & Co.	20
Kane & Platt	50
E. Leavenworth	40
William Thorn	25
P. Corti Vecchio & Co	150
William & G. Post	20
Chesebrough & Cairns	40

APPENDIX

	Shares
Charles Stewart	10
David & Philip Green	40
John Sullivan	15
Thomas Ogden	25
Griffin & Glass	25
John C. Crygier	25
Thorn & Cook	25
Edward Lyde, Jr	40
Thomas Buckley	115
James Palmer, Jr	25
Peter A. Cammann	25
James Foster	50
Van Wyck Wickes	100
William Rhodes	50
George Suckley	30
Noah Talcott	50
Edward Seaman	75
John Cruger	25
James Tillary	25
James Walker	40
Fort & Swartwout	90
Dudley Walsh & Co	50
Johnson & Mount	25
Rensselaer Havens	90
George Barnewell	40
Edmund Morewood	40
Humphrey & Whitney	25
Caldwell, Parks & Caldwell	25
James Heard	40
William Van Wyck	25
Stephen Whitney	40
William G. & J. D. Miller	40
James Conklin	25
J. & G. DePeyster	40
James Robertson	50
John Smart	25
Samuel Robbins	25
Morris & Wisner	25
Powell & Willis	25
Gordon & Daniel Buck	105
J. W. Patterson	40
Boerum & Wynkoop	95
Benjamin I. Moore & Co	40
John & Nathaniel Griffith	40
John E. West	30
Bruce & Morison	40
Israel & Disosway	25
M. & I. Bruen	25
Gerrit H. Van Wagenen	40
William S. Chapman	25
Samuel Campbell	25
Townsend & Nostrand	40
John T. Duryee	40
James P. Van Horne	25
Abraham Varick	100
Abraham Varick, Jr	40
George Codwise, Jr	90
Christopher Halstead	25
Leonard Bleecker	170
David L. Haight	25
Peter L. Elmendorf	25
J. & N. Parkhurst	30
Leonard Lispenard	25
Neh. Rogers	140
Daniel D. Thompson	25
Peter McCarty	50
Fondey & Winne	25
Grove Wright	90
Augustus V. Van Horne	25
Alexander L. McDonald	5
William Seaman	25
John Thomson	40
Thomas Morton	25
John B. Lawrence	25
John Richardson	10
Lemuel Wells & Co	40
Thomas S. Arden	25
John B. Dash, Jr	30
Stephen Van Wyck	25
John Taylor	40
Peter W. Radcliff	25
Daniel Mack	20
William Wilson	40
John Colwill	40
DePeyster & Bard	50
David G. Hubbard	60
W. P. Van Ness	200
T. V. B. Varick	40
S. Jones, Jr	25
Christopher Codwise	40
Jacob C. Mott	25
William Cruikshank	25
Robert & John Sharp	40
Jesse Baldwin	25
William Bogardus	25
Ludlum & Johnson	50
Josiah Lederer	25
Robinson & Hartshorne	40

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	Shares
John Lang	15
A. Carroll	100
Jonathan Lawrence	25
Richard I. Tucker	40
H. Fosbrook	10
John P. Ritter	25
Andrew Mitchell	15
Peter A. Mesier	50
William Radcliff, Jr	115
Austin L. Sands	75
H. W. & L. Phillips	50
Joseph Blackwell	25
Samuel John	25
Jordan Mott	25
Elias Kane & Co	100
Daniel Boardman	40
Voris & Buckle	25
Egbert Benson	25
Cornelius P. Wyckoff	50
Ferguson & Day	130
Jonathan & E. Little	40
Nathaniel J. & George Griswold	50
Andrew Ogden	40
Jonathan Ogden & Co.	50
John Duffie	30
James D. Wallace	25
Francis Saltus	50
William & Jonas Minturn	40
Levi Coit	50
Selah Strong	25
Samuel W. Hopkins	25
Samuel & William S. Burling	40
John A. Davenport	30
Kip & DuBois	95
Isaac Jones	150
David Wagstaff	25
Foster & Giraud	40
Balthaser P. Melick	10
Rankin & Hyer	150
William A. Davis	25
Irving & Smith	100
William Shute & Co.	25
William Weyman	25
William & Christopher M. Slocum	25
David T. Fisher	25
William Coleman	15
Peter Irving	15
Peter DeLabigane	50
P. G. Stuyvesant	75

	Shares
James Thomson	50
Jacob L. Sebring	10
James Tyrie	25
R. B. Forbes	25
Bedient & Hubbell	100
Eben. Watson & Co	25
Mott & Bowne	40
John E. Seaman	25
Steddiford & Marschalk	25
B. M. Mumford	25
E. & P. Crary	25
John T. Irving	25
Francis Mallaby	25
Isaac Heyer	95
Nathaniel Prime	200
Dunham & Davis	400
Hoffman & Heard	25
Charles Stewart	30
William Remsen	30
Elijah Jones	20
John Hyslop	25
Isaac Sebring	95
Cornelius Heeney	25
Joseph Howland	50
Joseph Thebaud	25
Anthony Steenback	25
William Fitch	50
Post & Russell	40
Ebenezer Burrill	40
Benjamin Thurston	10
Henry White	400
William Thomas	40
Samuel Jackson	40
Preserved Fish	40
John Jackson	60
John Peter DeLancey	40
S. Denton	25
Ezekiel Robins	150
Arent. S. DePeyster	50
George Codwise	40
George M. Woolsey	100
Albert Ogden	25
Nathan McVickar	40
Richard Harison	100
Robert Hodge	25
Samuel B. Malcom	25
Daniel & Isaac Merritt	185
Samuel Norsworthy	25
John McKinnon	50

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	Shares
John Thurman	25
John Remsen	25
Van Gieson & Van Blarcom	40
Cadwallader D. Colden	25
Tredwell & Thorne	40
Dominick Lynch	400
Haines & Wells	25
Gurdon Manwaring	25
Oliver Phelps	50
Hendrick Suydam	20
Thomas Knox	5
Richard Rogers	40

A total of 24,925 shares at $50 per share, making $1,246,250.

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